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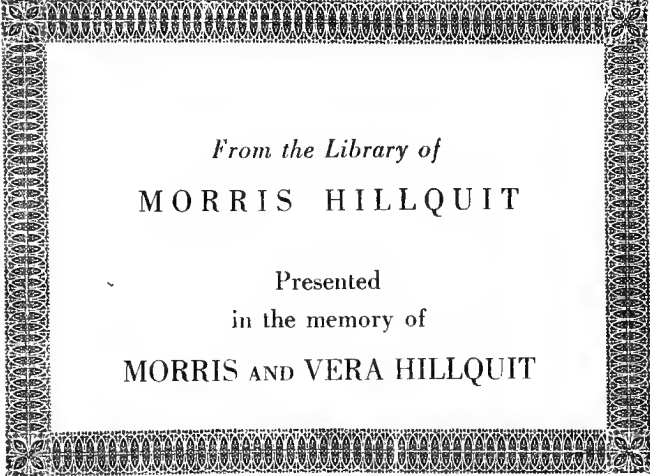
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*W.E.A. Series of Economic, Political, and Social Studies.*  
*No. 4.*

# MARX AND MODERN THOUGHT

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**Economic, Political, and Social Studies.**

**Written in Australia.**

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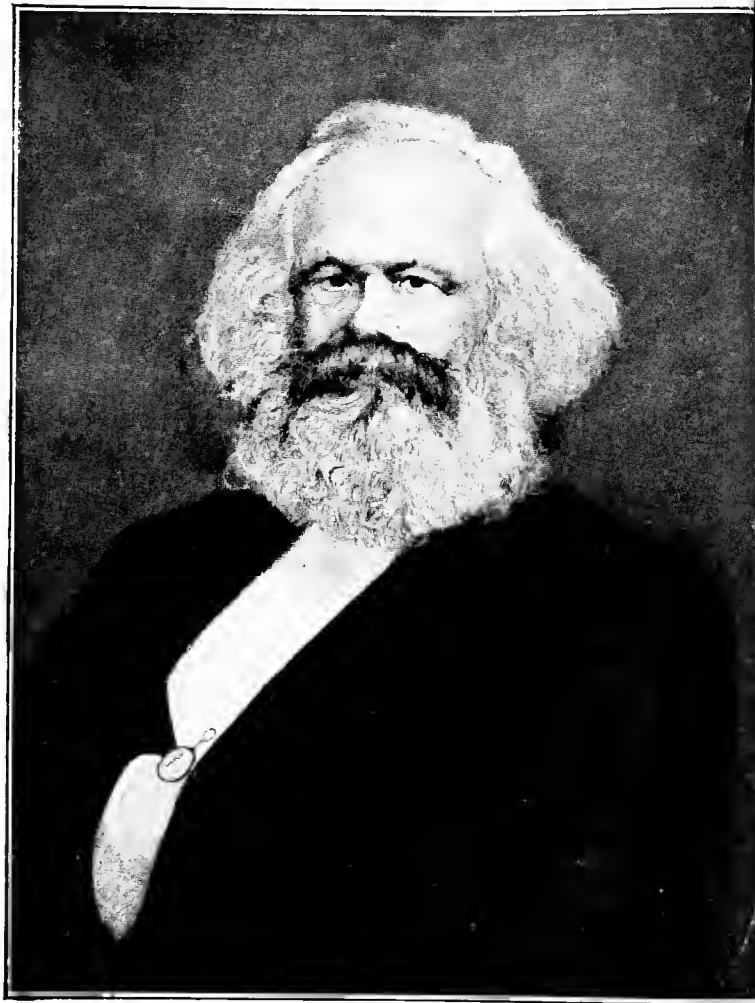
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Director of Education in N.S. Wales,  
this book  
is gratefully dedicated,  
in recognition of his great services  
to the cause of controversial education,  
in this country.

*First Published in 1921.*





KARL MARX

# MARX AND MODERN THOUGHT

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BY

G. V. PORTUS, M.A., B. Litt.

178  
(Director of Tutorial Classes and Lecturer in Economic History in the  
University of Sydney.)

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STUDENTS' EDITION

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## GENERAL PREFACE.

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*The scarcity of authoritative Australian books on economic, social and political problems has been severely felt during the development of the Workers' Educational Association in the Commonwealth. On the foundation of the Federal Council of the W.E.A. in 1918 a means of overcoming this difficulty was sought. Among the professors, lecturers, and tutors, who have so readily assisted the tutorial class movement, some had collected valuable material bearing on these problems. Through the Federal Council it was thought possible to assemble some of this material for publication in a series of monographs intended for the use of students in tutorial classes and elsewhere. Thus has the W.E.A. Series of publications been founded, and it is hoped that its utility will extend beyond the immediate needs of members of the W.E.A. to the growing number of students of social problems in Australia.*

*The chief aim of the series being to encourage investigation in fields of study hitherto surprisingly neglected in Australia, the W.E.A. does not accept responsibility for the views expressed by the writers therein. Its purpose is to stimulate thought, not to propagate doctrines. A disclaimer of this kind may appear odd in a preface, but our experience of the persistency with which our critics insist on attributing to the Association, the opinions of those who happen to be connected with it, has convinced us that it is necessary.*

G. V. PORTUS,

General Editor.

## *AUTHOR'S PREFACE.*

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Any writer on Marx faces a difficult problem. The subject is not only exceedingly complex, it is also bitterly controversial. The followers of Marx have generally been noted for the intensity of their belief in their hero. So intense is this that it has sometimes passed over into a tendency to erect him into a kind of infallible high priest of socialism, whom to criticise is evidence both of intellectual presumption and of bad taste and bias. They seem, at times, to take the same attitude to his writings as old-fashioned, evangelical people assume towards the scriptures, that is, that they are of superior authority to subsequent productions and have a kind of guaranteed accuracy in every word. Criticism of Marx comes therefore to be regarded as hostility to socialism if not as evidence of capitalistic bias. Every writer who disagrees with the Master is a "fakir"—a man who is out to destroy the working class movement for ends of his own. This is not, of course, the attitude of all Marxians, but it will hardly be denied that it is characteristic of many of them.

On the other hand, there is a tradition of animosity against Marx in certain circles which has made for





system. I trust that my readers will be able to distinguish clearly between the account of the system and the criticisms of it. It ought not to be necessary to say that for the criticisms expressed herein I am alone responsible. They must not be taken to indicate the views of any society or institution, least of all must they be held to be the opinions of the Workers' Educational Association of New South Wales which is publishing this book.

I feel that some explanation is necessary on the part of anyone who adds to the voluminous literature of exposition and criticism of Marxism. This book is being published to supply the need for a short and more or less popular introduction to the subject, which shall be accessible at a reasonable price. Most of the short expositions of Marxism are either partisan or they are out of date. The recent events in Russia have brought Marx prominently to the fore again. He can no longer be easily relegated to the nineteenth century lumber room as a back number, because the orthodox economists have succeeded to their own satisfaction in refuting his economic theories. For his sociological and political ideas are the acknowledged doctrines which are animating the rulers of a great European state and—through them—the world-wide revolutionary section of the proletariat. We can support Marxism at the present time, or we can oppose it, or we can criticise it. But we cannot ignore it—that is, unless we are content

to play the ostrich in the midst of the amazing ferment of humanity that is going on.

Before concluding this preface I should like to thank my tutorial class in Marxian Economics, which impressed upon me, far more than any reading has done, the ways in which Marx's teaching appeals to students of his work. It would have been quite impossible for me to have written the third chapter of this book without having had the advantage of a year's discussion with my tutorial class students. I have also to thank Mr. J. C. Stewart and Mr. W. N. Butler for their kind assistance in proof reading. Finally, I have to acknowledge my indebtedness to my wife, both for her ready help in preparing the index, and for her patient acquiescence in the arrangements which made the writing of this book possible.

G.V.P.

The University of Sydney,  
February, 1921.

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## CHAPTER I.

### THE PLACE OF MARX IN THE HISTORY OF THOUGHT.

The title of this chapter introduces us to a wider sphere than that of socialism only. Marx is not only a socialist and a matter for socialistic concern. If he had never made his deductions as to the inevitability of socialism, his work would still be of enormous importance to the sociologist and social historian. It is, therefore, important to try and point out Marx's place not only in the development of socialistic thought, but also in the general stream of political and social thought of his age. He offers us not only a system of economics, but also a philosophy of social progress, and to understand this we have to inquire into his relation not only to the Utopian Socialists who immediately preceded him, but also to the whole political thought of the 18th and 19th centuries.

In order to do this it seems to be necessary to give a brief account of his life. Neither the influence nor the content of a man's work can be understood without some knowledge of the times in which he lived. Marx was what he was because he lived when he did. He wrote what he wrote because others before him had written what they had written. Let

us therefore briefly run over the salient facts of his career and of his environment.

Marx was born at Treves (or Trier), in the Rhine Provinces of Prussia, on the 5th May, 1818. His father was a Jewish lawyer, who shortly afterwards adopted the Christian faith in obedience, so it is said, to an anti-Semitic edict which commanded Jews holding official positions to be baptised or dismissed.\* The Rhine provinces had been occupied by the French during the revolutionary and Napoleonic eras, and French liberalism, proclaiming equal rights for all men, had swept away much of the old feudal rubbish from the political and social institutions of the provinces. But Prussia, with the provinces restored after the fall of Napoleon, was plainly going back to the old system of reaction and repression which had characterised her policy before the revolutionary era. This reactionary government and the correspondingly antagonistic liberalism which it engendered were the forces that moulded Marx during his impressionable years. His mother was a Dutchman. His faithful sweetheart (afterwards his wife) was the granddaughter of a Scotchman, so that Marx had opportunities in his early days of learning the value of other cultures than the purely German, which may have influenced him towards the internationalism of

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\* Liebknecht *Biographical Memoirs of Karl Marx* says Marx's "whole life was a reply and a revenge" for this (p. 11). On the other hand Spargo—*Karl Marx*—claims that the renunciation of Judaism was quite voluntary on the part of the elder Marx.

his later years. He proceeded to the Universities of Bonn and of Berlin, nominally to study law, but really spending his time at history and philosophy. He became mixed up with a set called "The New Hegelians," who were followers of the great German philosopher Hegel (1770-1831), but who were more radical than their master. Marx has been posed as an anti-Hegelian by some writers, but this is a half-truth. Really Hegel's influence on Marx was considerable, and Marx himself acknowledged his debt to Hegel in the preface to the second edition of the only volume of his great work "*Capital*" that was published during his own lifetime.\* Any adequate account of Hegelian thought cannot be crushed into a couple of pages. Bearing this in mind we may say, roughly, that there are three outstanding ideas in Hegel's philosophy.

(1) *The Idea of Development.* Hegel maintained that things and institutions existed because they fitted their age. When they fitted they were rational or reasonable. When they did not fit they were merely survivals which once were useful but now are useless, like the vermiform appendix in the human body or the buttons on the back of a modern frock coat. Such things are irrational, unrealities, non-existent to the rational mind, and, being functionless, they will in time pass away. Thus to Hegel Truth is not a fixed quantity but a constantly changing thing—

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\* *Capital* Vol. 1, p. xxx (Preface). International Library Edition.

always being made, never complete. So, in political affairs, there is no perfect state—but always a state in the process of becoming perfect. Evolution or development is the clue to an understanding of life both social and moral. From this standpoint we can glimpse the bearing of Hegel's famous remark, "All that is real is rational."

(2) *Idealism*. To a certain extent Hegel's theory of evolution involved Idealism, since it looked at all progress in the light of a constantly changing ideal. But Idealism is used in another and more exact sense in philosophy. Philosophical idealists are the thinkers who explain the world from the spiritual (or non-material) standpoint. Thus Berkeley maintained that the world of sense—the so-called material things we apprehended by sense—did not exist apart from the mind of the beholder. Mind is the first thing—other things exist because the mind perceives them. Otherwise they could not exist. Hegel did not say this; but he did say that the external material world, even if it existed apart from man's mind, was utterly unintelligible without that mind. And since unintelligible things were irrational they were not worth bothering about. The mind was not the product of the external facts. Matter was the necessary counterpart of mind, but it was only intelligible if regarded as that in and with which the mind worked.

(3) *Dialectics*. This was the method by which Hegel conceived the mind or idea to work. It may perhaps be illustrated by following out the course of



an argument between two people. Suppose Brown to be maintaining that the real cause of social unrest is poverty and wretchedness. Smith observes that this explanation will not cover all the facts because there are many instances of poor races, especially in ancient times, who were comparatively contented with their lot. He therefore suggests that poverty is really a relative matter, and the real cause of social unrest is inequality which makes their poverty apparent to the poor. To this Brown replies that there are countries like India and China where social inequality is actually encouraged by caste systems and yet they are not the centres of the world's unrest. He now is inclined to surmise that neither poverty nor inequality are the direct causes of unrest. Perhaps it is economic insecurity, which he has not hitherto considered, but which the argument itself has now suggested to him. And so on. Here it can be seen how in the course of the argument the causes of unrest become clearer and more synthesized and more approximated to Truth. Hegel applies the process, here taking place in a pair of individual minds, to the life and thought of society as a whole. He sees society as an organism with a fundamental unity which is its Truth and which it seeks to manifest. But it only does so by opposition, by clash of different individual groups inside society. And the ultimate object of such clashes is better distribution of function and better recognition of each component part. This process Hegel called by the old Greek name—Dialectic—be-

cause it fell naturally into argument or dialogue between two opponents. Plato had reasoned in this same way by the juxtaposition of opposites. As applied to history the method became known as the Dialectic Method, and it makes history very different from its previously conceived character as a mere catalogue of events. No event in history, if history be looked at in this way, is immoral or unnecessary; for each event is necessary, is part of an assertion or a contradiction without which society cannot arrive at Truth and cannot make progress. All history thus becomes an acted or spoken dialectic.

It will be obvious to those who are acquainted with the Marxian system of thought, how much light this teaching of Hegel must have thrown upon the development of Marx's ideas. He was convinced of the truth of the dialectic method in social affairs, and of the conception of Evolution in society of which it was, so to speak, the process. It will also be seen from this that Philosophy had not waited for Biology to suggest the idea of Evolution. Hegel (1770-1831) made use of the idea before Darwin (1809-1882). And in 1859, the same year as the publication of the *Origin of Species*, we find Marx applying to society the conception of evolution through his theory of Dialectic Materialism, in the introduction to his *Critique of Political Economy*. But Marx would not accept Hegel's idealism. He steadily swung away from the idea that the universe must be regarded as the working out of a spirit or guiding mind (not God

necessarily but an ultimate rational principle existing in the world of mind or spirit which directs cosmic action and progress). And in this he broke from Hegel and joined the young Hegelians in criticising him. Later, as his own theory of historical materialism developed, he broke from the young Hegelians and criticised them.

One of the reasons why Marx was ready to break with the official Hegelian system was doubtless the use that had been made of it in politics. The exploitation of philosophers by politicians was (and is) by no means uncommon. One has only to think of the Stuarts' use of Hobbes, the Whig utilization of John Locke, the eagerness of the French revolutionaries to exploit the philosophy of Rousseau and, in recent times, the maladroit adoption of Nietzschean ideas by the German bureaucrats, to understand how willingly early 19th century Prussia appropriated from the Hegelian system what it thought would be suitable for its purposes. Just at that time there existed in Prussia a profound distrust of everything the French revolutionaries had advocated. Whatever Napoleon or the French had blest, that reactionary Prussia was ready to damn. Now there had been a certain contemptuous attitude to the past in some of the writings and speeches of the French revolutionists. There always is this attitude in revolutions. The revolutionaries are for the new future; the past is only shackles and fetters, ignorance and prejudice; therefore on to the glorious future! Confound the

old institutions! They are stumbling blocks! Sweep 'em away! We saw this in Russia recently. Hegel's attitude to the past was, in some respects, a reaction against this revolutionary fervour. For Hegel said the past *did* matter, and was extremely important, since without it the present was impossible. And similarly, he said that the present is important since it is "on the road" to the future. It therefore must be understood. Its institutions are now being tried. They have been evolved and are here because they "fit." They embody the experience of humanity in its striving forward. The re-actionary Prussian government was quick to exploit the implications of this point of view. If the present was the crown of the past, then men must be exceedingly chary how they interfere with the accumulated wisdom of the ages. All this inspired meddling and tinkering with society—sanctioned as it was by evolution—must be stopped. It did not matter that other parts of the Hegelian system enjoined a constant clash and conflict which would repudiate the stagnant political calm which these autocrats envisaged. They took what justified them in the theory—as political parties have always done—and ignored the rest with that lofty disregard for consistency which the parties of our own democratic days have not yet abandoned. But to the young liberals of Germany in the forties of last century this particular political system, which Hegel's thought was being used to buttress, was anathema. And with Marx this feeling turned to a definite repudiation of

the idealism of Hegel, and in 1844 he broke with it, announcing his conversion to materialism. But he never broke from the influence of the dialectic method nor from the evolutionary conception of history. They colour all that Marx has written.

In 1841 Marx obtained his Ph.D. (Doctor of Philosophy) at Jena, but the reactionary spirit of Prussia was so strong that no University appointments were possible for Radicals, and in 1842, he became editor of the *Rhenish Gazette*—a liberal newspaper. But his attacks on the Government brought about the suppression of the paper by the next year. Marx (who had just married his early sweetheart—Jenny von Westphalen) decided to turn his attention to economics, and went to Paris in 1843, meeting there the leading French socialists of the day, and later meeting his life-long comrade, Frederick Engels. All these French socialists were more or less Utopians, and Marx had a good chance of testing the various theories they advanced. Early in 1845, at the instance of Prussia, Marx was expelled from France by the Guizot government, and he settled in Brussels, where with the help of Engels he began to work out his economic and sociological ideas. During this period he came into contact with the English classical school of political economists. Their work made a deep impression on Marx, as his theoretic economics show. In 1848 the famous *Communist Manifesto* was published as the programme of the Communist League. This body was a section which

was dissatisfied, on the one hand, with the Utopian Socialism of St. Simon, Proudhon, and Cabet, and, on the other, with the secret revolutionary school with which Bakunin and other subsequent anarchists were connected.

There is no space in this short review to do more than briefly refer to this unique document, but mention will be made of it subsequently. It certainly should be read and digested by every student who desires to understand modern history, and certainly by every politician, and most certainly by every social reformer. "Full of mistakes," as one writer puts it, "and of immature thought, it still remains an unequalled masterpiece of convincing eloquence."\* It contains all the typical Marxian doctrines except one—the theory of value—which was not elaborated by Marx until later. All the rest are indicated plainly here. Indeed some of them are never worked out to anything fuller than they attain in this sketch. We get the materialist conception of history, the class struggle of bourgeoisie and proletariat; the theories of capitalistic accumulation, of increasing misery, and of capitalistic suicide. It has the scientific colour that Marx and Engels strove to give all their work, the note of inevitability in the prophecies, and the ambiguous use of the term revolution which is so common and so confusing to-day. "It is," as another writer puts it, "a philosophy of his-

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\* Sombart: *Socialism and the Social Movement* p. 52.

tory, an analysis of contemporary society, a scathing criticism of the Utopians, a prophecy of revolution, a party programme, and a complete set of battle cries."\*

During the revolutionary year of 1848 Marx returned first to Paris and then to Germany and supported the cause of advanced democracy in the *New Rhenish Gazette*. But Marx's heart was hardly in the German Revolution of '48. It was to him a political movement born out of due time because the economic revolution which should have been the basis of it had not occurred. The established order gradually got the upper hand, and after a trial for libel and another for sedition, in both of which he was acquitted, Marx's paper was suppressed, and he was expelled from Prussia. Paris would not receive him this time, and this 19th century wandering Jew turned to the "Mother of Exiles," and came to London in 1849. He resided there until his death in 1883, and the story of his life is henceforth on the one hand a tale of unremitting literary toil and production, and on the other a history of the organisation of International Socialism. With the latter aspect of his work we are not concerned in this chapter, but we must refer to it afterwards. His literary activity we can only summarise by saying that he worked out in London the theories that he had already formulated on the Continent, adding, in the

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\*H. Heaton: *Modern Economic History*, p. 205.

economic field, his theory of value and surplus value. His industry was prodigious, his life heroic. He was seldom out of the grip of poverty and often the whole family were in want of food. It is incredible to think that he worked out his abstruse theories in one of two rooms in which three adults and three children lived, with the children playing round him, and every visitor interrupting him. And yet it was so. Towards the close of his life matters improved for him, mainly through the inexhaustible generosity of his friend Engels, who was now a cotton spinner at Manchester.\* He was able to move from Soho to a house on Haverstock Hill, to have his daughters decently educated, to take his family to the seaside from time to time, and finally he accepted the traditional office of Constable of the Vestry of St. Pancras, taking the usual oath, and, on occasion, wearing the regulation uniform.† But his unremitting labours took toll of his health during his later years. After the publication of *Capital* (1867), he was never really well, and was compelled to seek relief, from time to time, from the London climate. The death of his wife (1881),

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\* "Engels will secure a splendid place in the history of Socialist thought were it only because of the way in which he devoted himself to Marx . . . . He gladly responded to his friend's unremitting requests for aid, succouring him in every emergency . . . . He sent Marx weekly subsidies, and frequently despatched gifts of port wine; he made presents of £100 or £150 at a time; and at length, when his business prospered, he gave his friend a regular allowance of £350 a year."—*Karl Marx* by Achille Loria (Allen & Unwin) p. 47.

† Achille Loria: *Karl Marx* p. 48.



and of his daughter Jenny (1883) were cruel shocks from which he never recovered, and he died suddenly in the afternoon of March 14th, 1883, while seated in his study chair. He was buried in the common cemetery at Highgate. His illustrious fellow worker in another field, Charles Darwin, who died a year before, had been buried in Westminster Abbey.

We have passed over very briefly the events in Marx's life, from 1850 till his death, for the reason that his system of thought was really evolved in the first 30 years of his life. Though it was developed and modified in the latter period, it was not essentially changed. The story of his London years is really the story of his practical doings, his development of principles of action, of methods and tactics for the Labour movement. For Marxism is really two things—a theoretic system and a plan of proletarian tactics. With the latter we shall be concerned in a later chapter. It is the former that engages our attention here.

The circumstances of Marx's time led him to be an uncompromising opponent of rationalism in political and social thought. Now this word *rational* requires some explanation. We use it to-day with a variety of meanings. For example, a rational man is a reasonable, sane, or even moderate man. A rational theorist in religion is one who doubts the truth of revelation; in fact, a rationalist has come to mean an agnostic, or even an atheist. Rational dress is a form of dress which for some reason rejects what is customary in attire. The connecting link of all these

uses of the word is the idea of relying on reasoning, of action taken only after thought, of something systematically thought out. Now the word rational as applied to social and political thought in the 18th and 19th centuries has none of these meanings. A rational political thinker was, it is true, one who had arrived at his conclusions by the exercise of his reason or his thoughts; but this came to mean little more than one who relied on his reason alone to furnish his theories of social life, or, to put the matter more explicitly, one who proceeded deductively rather than inductively in his political and social speculation. Some explanation of the terms deduction and induction is, perhaps, necessary. Deduction is the principle of argument by inference from the general to the particular. Induction is inference from the particular to the general. Suppose I have a fixed and pessimistic conviction that all men are liars, and I meet John Smith for the first time and treat him as a liar. My inference that John Smith is a liar will be arrived at deductively. Suppose, however, that in my bounding optimism I treat all men as truth-tellers at the outset of my career, and suppose I am continually deceived and tricked by my fellow man, until my bounding optimism is undermined and I come to the pessimistic conclusion that all men are liars. I have inferred that large general fact from a variety of particular instances and have come to my conclusion by a process of induction. Take another example. Suppose that I am convinced that men are naturally just and

equal by nature and are meant to function in a universally just social system. Then I may construct a theoretical social order which shall be distinguished by the justice and equality of its arrangements. I should then be proceeding deductively, fitting my future scheme to what I thought it ought to be according to men's natures. Suppose, however, that I surveyed the past history of mankind and saw, not that men were always just and naturally equal, but that, on the whole, there were certain tendencies of action being worked out. Suppose, further, that from my survey of those tendencies I should construct the future state of humanity as one which would embody the working out of those principles—whether I find them to be good or bad it matters not—then I should be proceeding inductively, fitting my future pictures to what I thought the social system would develop into according to its observed historical tendencies. In the former case I would be said to be constructing a rational system, appealing to men's judgment and intellect and reason to found a new order in which the qualities they admired most would be given a chance to flourish. In the latter case I should be constructing a historical system, not appealing to men's idea of the good and the beautiful at all, but simply pointing out facts and their future significance.\*

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\* It is interesting to notice that modern psychology has, to some extent, recovered this sense of the word rational, e.g., "When we give a wrong account of the causes that have led to an action it is generally the case that we have unconsciously 'faked' a set of 'reasons' on the grounds that appear to us as

If then we use the word rational in this sense in this chapter to describe certain systems of thought, we shall be using it in a sense which does not, like many of its present usages, exclude the exercise of the imagination. The term *reason* is not thus opposed to imagination or idealism, its real opposite is *historical inquiry*. Social philosophers were of the school of reason or of the school of history.

Western political thought since the Reformation had run very largely on rational lines. The favourite theme of the political philosophers during the 17th and 18th centuries was the doctrine of the Social Contract. This contract was conceived as an agreement made between the various members of society in order to found a social order. No trace of an actual original social contract among primitive people can be found. Nevertheless, the political philosophers argued that without some such social contract, society or the State could not have been founded and certainly could not have progressed. This, we must observe, is rational argument, an appeal to men's reason. The social contract *must* have existed. How otherwise can we ex-

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'rational,' and put them in the place of the real causes, of which we are unconscious. This process of 'rationalization' is so exceedingly common as to be practically universal." (*The New Psychology* by A. G. Tansley, p. 11). Thus, a bad workman blames his tools rather than recognize his own faults. The state of his tools is (to him) the rational reason of the bad work, but the historical reason of it is his own incompetence. So here, Hobbes, Locke, and Rousseau might be said to be "unconsciously faking" accounts of the origin of society on grounds that appeared to them to be "rational." They were rationalizing the origins of society. (See pp. 17-19 of this chapter).

plain the origin of the State? Now, if this be admitted, at once the question arises, *What were the terms of this social contract?* The philosophers admitted that this was a legitimate question, and proceeded to answer it by quoting the terms of the contract. Since they had no access to any original contract, obviously they must have supplied its terms out of their own heads. They did so. They looked at society and decided that it could only be explained if the terms of the contract were what they said they must have been. It is, therefore, not surprising that, when different philosophers stated their different ideas of what this contract contained, these ideas should differ. For not only do different men see society differently; they see it at different times, and through the eyes of their own prejudices.

Thus Thomas Hobbes (1588-1679) maintained that the social contract was made between man and man in early society and that they agreed each with the others to give up their sovereign rights for ever to a superior, whose authority should be unquestioned for all time. Such a superior becomes the Sovereign. Hobbes calls him the *Great Leviathan or Mortal God*. Such a sovereignty is thus absolute, eternal, and irrefutable. This, of course, is nothing less than a justification of absolutism. Hobbes, writing in the 17th century, was a firm partisan of the divine right absolutist theory of the Stuart Kings.

John Locke (1632-1704) maintained that the social contract was made, not between man and man, but

between an already existing ruler and his subjects, and that they promised to respect each other's rights. The King had the sovereign power so long as he kept the terms of the contract. If he broke them, his subjects were freed from their obedience to him. This, you will see, does not justify absolutism, but it does justify a limited monarchy. Locke, writing at the end of the 17th century, was an adherent of the Whigs, who dethroned James II. on the ground of his absolutism, and who actually stated in a political document that the King had broken the terms of his contract, though there is no trace of any such contract explicit in the affair.

Rousseau (1712-1778) maintained, like Hobbes, that the social contract was made between man and man in primitive times. But it erected as sovereign not an absolute King, nor a limited one, but the will of the people. All exercises of sovereignty then are to be judged by this question—"Do they conflict with the sovereignty of the people?"

Rousseau was writing in the 18th century. He had experienced the despotism of Louis XIV. His theory obviously justifies democracy, and it was freely used by the French revolutionaries in 1789—eleven years after the death of Rousseau. How historical Rousseau's picture of man's primitive state was can be gathered from some of his expressions. "Wandering in the forest I sought for and found there the image of the primitive ages, of which I boldly traced the history," or again, "As I thought this I consequently uttered it."

The justification of these writers for their statements was that, if one did not imagine the existence of something very like what they argued, one could not explain the origin of existing human society at all. It did not matter what history said or did not say, the question was, how could one explain society if one did not admit that their presuppositions were correct. The weakness of this rationalizing appeal to the intellect and the imagination alone was that contemporary society suggested different explanations of its origin to different men. The absolutism of the Stuarts suggested a primitively ordained despotism to Hobbes, the Tory. The failure of those same Stuarts to govern properly suggested a primitively ordained constitutional King to Locke, the Whig. And absolutism and centralization run mad in France under Louis XIV. suggested a primitive authority for getting rid of Kings and governors to Rousseau, the anti-authoritarian. Thus the social contract, if it was imagined in different terms, could be made to justify almost anything in the shape of political machinery.

But already there was setting in a reaction against this practice of writing imaginary history. We cannot, in this place, examine this reaction particularly with regard to the doctrine of the Social Contract, for we have only taken this doctrine to illustrate what is meant by the purely rational school of history, as it was understood in the 18th century. The reaction begins with Montesquieu (1689-1755), who has been

called "The father of modern historical research." Montesquieu saw that political systems could not be explained by playing with ideas about what imaginary men might have done in imaginary circumstances before the dawn of history. He therefore applied himself to the study of political institutions and of their history in order to explain the present systems of society. We even get a glimpse of the dialectic conception in his insistence on the right of free controversy. "In a free nation," he says, "it often does not matter whether people discuss things well or badly. It is enough that they discuss them; from this comes the freedom that guarantees the good of these very discussions."

Edmund Burke (1729-1797) followed Montesquieu with a dignified protest against dogmatism, and in favour of experience in political affairs. "I am resolved," he writes, "not to be wise beyond what is written in the legislative record and practice." Neither Hobbes nor Rousseau with their imaginary accounts of origins attracted Burke, and he viewed the doctrine of the Social Contract, in his own words, as "chaff and rags and paltry blurred shreds of paper about the rights of man." The excesses of the French revolutionists, who had used Rousseau as part of their apologetic, still further discredited the rational school of social and political philosophers. And from now onwards a historical conception of the State and of society begins to succeed the rationalist conception.

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\* Pollock: *History of the Science of Politics* p. 86.



But the rationalist school did not perish. The French Revolution, which had discredited Rousseau, gave a new turn to the thoughts of subsequent thinkers, and a school of rationalistic social philosophy arose which did not fix its eyes on the imaginary past in order to explain the present, but which, rather, painted the future as the present might become if only men were to be true to themselves. And so the rational conception of society, discredited in Hobbes, Locke, and Rousseau, becomes vocal again in the so-called rational or Utopian Socialism of the early 19th century. Writers like St. Simon, Fourier, Cabet, Proudhon, Robert Owen, and Weitling called on men to abjure the present order of things and found a new order based on reason, justice, and love. For, they argued, reason and justice and love are natural to man, and the present order, with its injustice and unreason and hate, was unnatural and did not fit mankind. Let men then abandon this present society, whatever might be its history or its justification, and move forward to a new society based on different and on better ideas. In order to get men to do this it was necessary to convince them of the reasonableness of the new systems which were proposed for their adoption. It is necessary to remember that these systems differed widely. The panaceas offered by the Utopians varied from autocratic State control to democratic and almost anarchic co-operation. But all of them assumed a perfect social order, designed by God or Nature, which men might forthwith enjoy if only

they would follow the light of their reason. So, since man's reason was the implement which should first detect and then fashion the new society, to man's reason these Utopian philosophers appealed. And their method of appeal was a twofold system of propaganda—literary and practical. They published books outlining their several rehabilitated social orders, and they persuaded their disciples to set up models of their future communistic societies in the shape of experimental communities, which should reveal the wastes of capitalism and the beauty and truth of the new ideals. It is from this source that we get the crop of communistic societies, chiefly in the United States, which are a feature of the earlier 19th century. These Utopian Socialists were, it will be seen, just as unhistorical and rational as the 18th century radical political philosophers, but though they accomplished nothing practical in the way of direct attempt at solution, they did help to make men realise that there was a social question to be solved.

The historical school quite naturally opposed the Utopian point of view. To them the existing state was not a creation of pure reason, but it had come to be what it was through historic necessity. Constitutions arose naturally in the course of political development, which might or might not be logical, but which was certainly historical. There was no *natural order* of evolution to be discovered from the exercise of man's reason alone, but only a *historical order* to be discovered from what had actually happened. The his-

torical school, if such we may call it, for it was scarcely yet self-conscious, was not composed merely of sociologists or economists. Lawyers, philologists, geographers, and statesmen all joined its ranks.\* "In history, Guizot pointed out that the French Revolution was merely a political reflection of the struggle between Feudalism and the bourgeoisie; in Jurisprudence, Savigny demonstrated the relativity of legal systems of various stages in the progress of society; in Economics, Roscher was soon to found the historical school. St. Simon's fertile pioneer efforts in the same field were being systematized and developed by his pupil, Comte. For the development of Marx, and of scientific socialism, however, the most important exponents of the new tendencies are Hegel and the Hegelians of the Left."† In contra-distinction to the unhistorical school, their test of the rationality of an institution was not whether it fitted in with a preconceived scheme of thought, but whether it had been adopted by mankind in the course of its political evolution. Here then we see the significance to his age of Hegel's previously quoted remark, *all that exists is rational, i.e.,* the test of rationality is its agreement not with some fancied truth, but with history.

The difficulty about the historical conception of the State, however, was that it justified almost any political party. Supporters of the existing order could

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\* See Sombart *Socialism and the Social Movement* chapter III.

† O. D. Skelton *Socialism* p. 96.

argue that since the present order was the result of centuries of trial and error, it therefore embodied institutions and political machinery which should only be interfered with very circumspectly, if at all. Burke's conservatism is an example in point. He speaks of the British Constitution as sanctified by the ages. It is almost impious to touch it. On the other hand, opponents of any existing order might argue that its ideas were already obsolete, that it was unreal and no longer fitted human nature, that it ought to be swept away because it was preventing the emergence of something better. Marx's treatment of the social order of his time is an example of this. He took Hegelianism and the historical school of thought and found in it the justification for a social revolution.

From this sketch we have tried to gather what Marx's relation was, not only to the trend of the socialist thought, but also to the ordinary political thought of his age. He continues the historical tradition of Montsequieu, Burke, Guizot, Hegel, and Savigny; and though he, by the use of the historical method, proclaims the inevitability of socialism, he bitterly opposes the socialism of the rational or Utopian type, condemning and reviling the theories of St. Simon, Fourier, Owen, Cabet, Weitling, Proudhon, and Louis Blanc. Marx's devotion to the historical method results in his proclamation of the doctrine of historic materialism, which is this: that the force which really causes changes in society has been (and will be) the changes in the methods of production and distribution.

As these methods evolve, so, slowly or quickly, there evolve corresponding changes in the structure of society. Legal, religious, artistic, political, and moral ideas all change and develop according to the changes in the method of production. The latter changes are primary, the former are derivative. That was Marx's great contribution to the historical school of political philosophy, and in making it he cut himself off, not only from the Utopian Socialists, but from many adherents of the Historical School who were not prepared to see in the economic factor the determinant of all change.

But Marx did more than lay down the doctrine of historic materialism. In the light of it he examined the present order to find out whether it pointed to a new order. He claimed to find tendencies in it which justified him in proclaiming that the new order would be a Socialistic order, and that the means by which this new order would be ushered in would be the class struggle. Socialism the end, the Class War the means; on these two foundations the socialist movement of the next 20 years was built. The vagaries of the Utopians fell away and the only socialism that mattered became the scientific socialism of Marx and Engels. This socialism was called scientific, because it was regarded as being scientifically predicted as inevitable; it was based on an examination of the facts which revealed, in the present order, the tendency towards socialism. What were the facts that Marx found which pointed to this? He enunciated several. The concentration of industrial

property in fewer hands; the disappearance of the middle class; the increasing tendency within capitalism itself to develop socialistic or co-operative methods of production, even though the accompanying methods of distribution remain individualistic or anti-socialistic; the theory of capitalistic accumulation; the theory of the increasing misery of the proletariat; the theory of the self-destruction of capitalism through the recurring commercial crises which were a law of capitalism's being. All these things pointed to the overthrow of capitalism and the ushering in of socialism. How that is actually to come about we must reserve for future treatment. Here we can only note that the course of capitalistic development since Marx has not entirely borne out the prophecies which Marx made in the course of his forecast. The modern industrial system shows us certain contradictions of them. Neither concentration nor accumulation nor the eviction of small farmers in agriculture seems to be proceeding unchecked, and the proletariat is not driving down to increasing misery. These facts will be vigorously disputed by many Marxians, but the statistical evidence for them seems overwhelming.\*

It may, however, be acknowledged that in making use of such evidence certain facts need to be consid-

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\* For this evidence reference may be made to Sombart's *Socialism and the Social Movement* as regards Germany, and to Simkhovitch's *Marxism versus Socialism* as regards the United States of America, which is generally held to be the home of modern capitalism and the place in which its characteristic evolution is least hindered by tradition.

ered. Thus, for example, the increase of small farms and small farmers in America may proceed along with a lessening of the general economic independence of such farmers, inasmuch as they become more dependent on capitalism on account either of the credit it advances them, or of the dictation as to the prices of their produce which its control of the markets enforces upon them. Still, this cannot justly be called concentration in the processes of agricultural production. In America, in fact, it would seem as if the days of the very large holdings worked by machinery are over, and that the average acreage is on the decrease, because the productivity gained by intensive cultivation imposes a limit on the amount of land that can be successfully *understood* by the intensive cultivator. Moreover, as Seligman points out, "land values tend to rise with growing prosperity. A given capital thus represents a constantly diminishing acreage and it becomes increasingly profitable to apply more labour and minor machines to small areas rather than large capital and vast machines to great areas. That is, we have a tendency to more intensive rather than large scale farming."\*

There is, perhaps, more justice in the modern socialist contention that Marx's theory of increasing misery of the proletariat is borne out by the fact that the gulf between the rich and the poor is growing wider, even though the position of the latter is improving. But to admit that this supports Marx's contention necessitates the use of the word *misery* to indicate a

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\* Seligman *Principles of Economics* p. 336.

mental state of discontent induced in the poor by the contemplation of great riches. This does not seem to be the sense in which Marx used the word when he sketched his theory of increasing misery in *The Communist Manifesto* and *Capital*. He writes there of a misery that is, so to speak, *absolute*, because dependent upon an increasing lack of physical necessities, rather than of a misery which is relative and depends on the contemplation of a growing disparity of income in society. Nevertheless, we cannot shut our eyes to the fact that the very spectacle of a growing disparity in income (even when lower grade incomes are moving upwards) is responsible for a great deal of modern social unrest. And it would seem that in proportion as the poor improve their position, the more restive will they become when they contemplate it. This, however, does not seem to be the kind of misery which Marx envisaged as a lever whereby capitalism would be automatically overthrown, although it may become just as potent a force in social disintegration as Marx imagined that physical misery would be.

This is somewhat of a digression from our course. We have undertaken it merely to indicate some of the ways in which the development of the modern industrial system has diverged from Marx's prophecies concerning it. His forecast remains broadly true enough to stamp him as a thinker of extraordinary insight and to justify brilliantly his use of the historical method in sociological and economic affairs. But it has not been confirmed in detail, and in some respects it has been



seriously modified. Faced with these facts, the school of scientific socialism to-day has had to choose between affirming the infallibility of Marx or acknowledging the contradictions which the course of history has made in his forecasts. This has divided socialists into the Revisionist and Marxian camps, and this division has been deepened by the split over tactics in which the Revisionists have become Reformists, while their opponents have preferred to call themselves Revolutionaries. But this part of the subject must be treated at a later stage in this volume.

What, however, needs to be pointed out in closing is the fact that Marx, in imposing his scientific socialism on the socialists of the world, effectually checked the growth of Utopianism. There was no need to *imagine* new worlds—socialism was coming. This dictum has led to a certain attitude of inevitability within the movement. Scientific socialism has become inevitable socialism, and this note of inevitability has, perhaps, been the cause of the dogmatism of so many of the orthodox Marxians. But it has had other effects. Inevitability has, not infrequently, passed over into fatalism in the adherents of the system. Marx himself was not without the fatalistic note. And fatalism makes for pessimism. If the New Jerusalem is coming, why worry? We must get through a lot of disagreeable happenings beforehand. It cannot be cured; it has to be endured! In such an atmosphere idealism evaporates and the Socialist movement cannot afford to lose Idealism. Marx did great service to the cause of

social reform by emancipating the socialist movement from the vagaries and fads of the Utopians. And in doing so he furnished the followers with an armoury of scientific facts and a tremendous indictment of capitalism. But to erect the Marxian system into a dogmatic orthodoxy, in which evolution is understood as fatalism, and idealism is crushed by pessimism, is a misuse of the weapons Marx supplied. By all means must modern socialists keep for their movement the historic character with which Marx stamped it; but is it not possible to fill it, at the same time, with something of the spirit which characterised the Utopian Socialists, a joyous enthusiasm for humanity at large, an enthusiasm which the class struggle doctrine seems to have undermined to some extent? This quality of enthusiasm for humanity, which pervaded the Utopian writings, gave them their appeal, despite the fantasies in which they indulged. In throwing out the fantasies of the Utopians Marx does not appear to have supplied anything to take the place of their optimistic enthusiasm. It has all become a grim and bitter business—with its class war and everyone alert in the trenches or with weapons on their hips. And one misses something of the Utopian note of the flowers and light and laughter and happiness for all, that lies beyond the revolution whenever it shall come. One rather gets the impression of the prizes of war that are for the victors after the fight. It may be that this is not the result of fatalism induced by the belief in inevitability, but only of the intensity with which the fight is waged.

But, in any case, the modern socialist movement will do well to emphasise the free will of living human agents and to repel the notion that social development is automatic—a notion which Marx himself repudiated by his life, but which is easily gathered from his works.

Outside the socialist movement Marx's place in the history of thought largely depends on his doctrine of historical materialism in the field of sociology, and of his doctrine of surplus value in the field of economics.

These we shall examine in the next chapters.

## CHAPTER II.

### THE MATERIALIST CONCEPTION OF HISTORY.

Even the most superficial acquaintance with history reveals the fact that there is continuous change in the affairs of men. Pessimists will argue that such change has been for the worse. Optimists will take the contrary view. But both will admit that there has been change and development. Is it possible then for us, studying the record of this development, to find a reason for the changes which take place in the lot of mankind? In other words, can we find the motive force that underlies human social development? This, it will at once be seen, is an extraordinarily important question. For if we can find the underlying cause or causes of the changes and developments which have taken place in the past, we shall have the key to the future. We shall have the solution of what our attitude to life ought to be. We shall have the plan of progress, and we shall have the right to alter and to mould all social institutions in order to allow that force which is the cause of development to work without hindrance. Assuming that the developments which we trace in history really constitute progress, and assuming further that we desire progress, then we shall have the right to demand that Parliaments, Churches,

States, Universities, Friendly Societies, and all other institutions shall be changed and modified in the light of what we discover about this principle of progress.

Now there have been various attempts to discern the principle of change. For a long time they were not made by historians at all. Until the 19th century historians proper did little else than describe the facts of political and diplomatic history. They wrote long accounts of kings and great men and battles and dynasties and foreign policies. When they discussed the question of the cause of development generally they spoke vaguely about something which they called *the spirit of the age*, or else they ascribed far-reaching changes in the social structure to the influence of great men. Thus, for example, the spirit of the Tudor age is considered to be the explanation of the immense changes which took place in England in the 16th century, or else the influences of men like Cromwell or Napoleon are held to be sufficient to account for the whole trend of history during their respective periods. But what the historians did not attempt the philosophers did; and we have had several explanations of history, or philosophies of history, or, what is perhaps a better term, interpretations of history.

*The Religious Interpretation of History* finds the key of progress in religion. Men's relations with the Unseen, as they develop into definite theories, are held to constitute the causes of change and development in the world. Thus Judaism emphasises the idea of duty, and this influences men's conduct to one another in

society, and so changes the institutions of that society. Confucianism is held to embody order, Mohammedanism justice, Buddhism patience (naturally engendering a static state of social relations, such as obtains in the East), while Christianity enshrines the practice of love as a sacred obligation, and issues, at all events, in its early stages, as a social dynamic. Now this is very interesting, and a great deal of it is true, but it scarcely constitutes a satisfactory explanation of social development. For the same religion produces in different peoples entirely different results. From the social and institutional point of view, the effect of Christianity upon Ireland in the sixth century is quite different from its effect on Rome during the same period.

Moreover, the same religion often persists in a country after the most striking changes in political structure. We have only to think of France before and after the Revolution of 1789, or to compare the submissive Protestantism of Germany in the nineteenth century with the subversive character it exhibited during the Thirty Years War, in order to see this. Is there, in fact, any guarantee that the form of religion itself, far from being the agent of change, is not the result of change in other activities of society? Many people attribute the rapid spread of Christianity during the first three centuries to the social and political conditions of the Roman Empire during that period. So, again, Protestantism and the Protestant Reformation are thought to owe their appearance to the rise of capitalism in economic relations. Such views make

religion a product rather than a cause of change. On the whole, therefore, we can scarcely expect to find a satisfactory explanation of universal world development by following up the clue of religion.

Meanwhile the *Political Interpretation of History* had been advanced. As early as Aristotle we can trace the theory that development depends on political arrangement.\* Generally this theory suggests that there has been a regular progression along the political route from absolutism to freedom. Monarchy, in which power resides in the hands of one, gives place to aristocracy, in which power resides in the hands of a few, and this is succeeded by democracy, in which power has broadened into the hands of many. This is an attractive theory.† Is it really an account of the facts? The early Roman Kings were supplanted by an aristocracy, and this was widened almost to a democracy—then came the Emperors. The Great Rebellion in 17th century England began by toppling over a throne in the name of liberty. It ended in the despotism of Cromwell. The French Revolution erected a democracy and culminated in a military autocracy. Moreover, it is by no means certain that the earliest human rule was kingly and monarchial. The researches of anthropology show us many primitive societies which are far more republican than monarchial. Again,

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\* See Aristotle *Politics* III Chap. xv. (Oxford: Ed. H. W. C. Davis).

† For discussion of this theory see Woodrow Wilson *The State* Chap. II. and S. Leacock *Elements of Political Science* Chap. VII.

the Teutonic conquerors of England were far more democratic in their original home, if we can trust Tacitus, than they were in 1000 A.D. Thus, the evolution of society does not seem always to have followed this path from absolutism to freedom. Suggestive as this theory is, it is not in accordance with the facts, as we know them, and will not therefore furnish the clue for which we are looking.

These two interpretations of history are based on psychic causes, religion and freedom. They find development along the lines of what takes place in men's minds, in their ideas. In view of their inability to provide a sufficient explanation of progress and development, attempts have been made to suggest that it is the physical, rather than the psychical, forces which have determined the course of human evolution.

Thus we have the *Geographical Interpretation of History*, which finds the key to social development in geographical location. The position of a country on the earth, its proximity to rivers and mountains, its nearness to fertile soil, its rainfall, and the nature of its climate, these things, it is claimed, all exercise powerful "controls" on the course of human history. Thus Arabia, a stretch of desert land nearly as large as Europe without Russia, and interspersed with oases, produces a nomadic, hardy type of man, accustomed to fight and fly, but not to till and settle. When the time came for union and conquest in the 7th century, under Mohammed and his successors they spread quickly—eastward to India along the Persian Gulf, and south-



west along the north of Africa. But they did not raid north-west into Europe. That was done later by the Turks. Why did the Arabs succeed in spreading to the south-west and to the east, and not to the north-west? The answer is because their geographical position had fitted them to conquer Palestine, Syria, Persia and North Africa, which are all steppe countries bordering on the desert, or fringed by deserts. But their previous environment had not fitted them to conquer south-western Europe, where bygone Aryan civilisation had organised an opposition of town and State dwellers through which the sons of the desert could not break. Again, the rise and fall of a State may depend on its proximity to a waterway. Egypt, on the Nile. Babylon on the Euphrates, Phoenicia and Greece (and later Venice and Genoa) on the Mediterranean, are examples of this. Still more striking is the rise of the Western European States which bordered the Atlantic Ocean after that ocean was discovered to be no longer a barrier but a path to other lands. Portugal, Spain, Holland, France, and England all rose rapidly to power and importance after this discovery.

But again one asks: Is this the whole story? It is very interesting, very true, and very illuminating. Modern economic geography, following this hint of illustrating progress with reference to terrestrial position, has thrown much light on history. But there are some facts which obstinately will not fit inside this framework. Why did Spain decay after the 16th century? She still retained her strategic position by the

side of the newly-discovered Atlantic highway and was, in fact, closest of all to the richest of the new lands in America. Further, she was in control of the passage between the new and the old waterways—Gibraltar. What, however, she did not have was the political and economic ability to use her gifts as well as other nations. This was not due to her geographical situation; it was due partly to her previous history, partly to her political tradition, partly to the Reformation and the Renaissance. Acknowledging, therefore, that geographical position is an important influence on progress, yet we feel that it is not the whole cause of political and social development.

But this geographical interpretation of history is only one way of suggesting the influence of physical factors on human development. Other physical factors beside geographical position have been claimed as the preponderant influence on progress. By far the most important theory of this kind is the *Economic Interpretation of History*. It was first definitely stated in the middle of the 19th century by Marx, and it is still professed as an article of belief by his followers. Marx called it the *Materialist Conception of History*.

Both the materialist and geographical conception of history claim that the preponderating influences on social development have been physical and not psychological. The Materialist Conception proclaims that the physical forces which have thus operated are those which underlie the production, distribution, and exchange of wealth at any given time. These forces, it is said, are

the real agents of change, the foundation of all the social institutions, even the root of the ideas which manifest themselves at different periods of history. Let us state the doctrine in what is perhaps its best known form as it was outlined in 1888 by Engels in his preface to the *Communist Manifesto*.

"In every historical epoch, the prevailing mode of economic production and exchange, and the social organisation necessarily following from it, form the basis upon which is built up, and from which alone can be explained, the political and intellectual history of that epoch."\*

This is a far clearer statement of the doctrine than can be obtained from the *Communist Manifesto* itself. Marx made various applications of his theory in the years succeeding the publication of the *Communist Manifesto*, but not till 1859 did he sum up his doctrine of the Materialist Conception of History. This he does in the introduction to his *Critique of Political Economy*, written in 1859.

"In the social production which men carry on they enter into definite relations that are indispensable, and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society—the real foundation, on which rise legal and political superstructures and

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\* *Manifesto of the Communist Party* by Marx and Engels. (Preface to Edition of 1888 by Engels).

to which correspond definite forms of social consciousness. The mode of production in material life determines the general character of the social, political, and spiritual processes of life. It is not the consciousness of men that determines their existence, but, on the contrary, their social existence determines their consciousness. At a certain stage of their development, the material forces of production in society come in conflict with the existing relations of production, or, what is but a legal expression for the same thing, with the property relations within which they had been at work before. From forms of development of the forces of production these relations turn into their fetters. Then comes the period of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed. In considering such transformations the distinction should always be made between the material transformation of the economic conditions of production which can be determined with the precision of natural science, and the legal, political, religious, aesthetic, or philosophic—in short, ideological forms in which men become conscious of this conflict and fight it out.”\*

Hereafter, although Marx assumes the truth of this theory in his work, he does not again expressly for-

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\* *A Contribution to the Critique of Political Economy* by Karl Marx (Chicago: C. H. Kerr & Coy.,) p. 11-12.

multate it. In his great work, *Capital*, he refers to it several times in notes or by way of illustration.\*

But perhaps the theory has nowhere been so clearly put as it was by Engels, who collaborated with Marx in the production of the *Communist Manifesto*, in his book, *Socialism, Utopian and Scientific*:—

“The Materialist Conception of History starts from the proposition that the production of the means to support human life and, next to production, the exchange of things produced, is the basis of all social structure; that in every society that has appeared in history the manner in which wealth is distributed and society divided into classes or orders is dependent upon what is produced, how it is produced, and how the products are exchanged. From this point of view the final causes of all social changes and political revolutions are to be sought, not in men’s brains, not in man’s better insight into eternal truth and justice, but in changes in the modes of production and exchange. They are to be sought not in the philosophy, but in the economics of each particular epoch. The growing perception that existing social institutions are unreasonable and unjust, that reason has become unreason, and right wrong, is only proof

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\* “Technology discloses man’s mode of dealing with nature, the process of production by which he sustains his life, and thereby also lays bare the mode of formation of his social relations, and of the mental conceptions that flow from them. Every history of religion even, that fails to take account of this material basis, is uncritical.”—*Capital*, Vol. I., p. 367, International Library Edition, 1912.

that in the modes of production and exchange changes are silently taking place, with which the social order adapted to earlier economic conditions is no longer in keeping. From this it also follows that the means of getting rid of the incongruities that have been brought to light must also be present in a more or less developed condition, within the changed modes of production themselves. These means are not to be invented by deduction from fundamental principles, but are to be discovered in the stubborn facts of the existing system of production."\*

We have stated the theory thus fully in the words of its sponsors, and we have now to examine its significance. If the doctrine is completely true, it means that Marx has got hold of the key to history. He has solved the puzzle of the past, and has found a means whereby he can prophesy about the future. And, as we have seen in the first chapter, he did very definitely prophesy about the future when he proclaimed the inevitability of socialism, and the downfall of capitalism.

But bearing in mind the fact that the other interpretations of history which we examined would not entirely explain the course of human development to our satisfaction, we are led to ask whether this is not also true of the economic interpretation of history.

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\* *Socialism, Utopian and Scientific*, by F. Engels, translated by Edward Aveling (Allen and Unwin, London, 4th Edition), 1918, p. 45.

At the outset it must be admitted that this conception has done a great deal for the study of history. It contains, like everything that is put forward by an honest thinker, a basis of truth. But truth is not singular. It is multiple and complex. The other interpretations of history which we examined did not lack some truth. What they required was to be supplemented with other truth of which they did not appear to take account. Is this also true of the Materialist Conception of History?

Marx, and his followers after him, by their insistence on the economic aspects of history in order to find out the clue to the changes between periods, drew attention to a view of history that had, hitherto, been sadly neglected. History had been written far too much as a record of the influence of great men and kings, or as a record of battles and treaties. The actual everyday life of peoples had been neglected. "The annalists of old never failed to chronicle the petty wars and calamities which harassed their contemporaries; but they paid no attention to the life of the masses, although the masses chiefly used to toil peacefully while the few indulged in fighting. The epic poems, the inscriptions on monuments, the treaties of peace—nearly all historical documents bear the same character; they deal with breaches of the peace, not with peace itself."\* Gradually, under the influence of the historical method in social affairs, this way of writing history

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\* Kropotkin *Mutual Aid*, p. 92.

was replaced by the study of the development of political institutions, and constitutional history rose in importance. After Marx, the emphasis began to be laid on the social and economic facts of history, and the connection between events became deeper and clearer. Some of the most momentous facts in human evolution were laid bare as men began to look into the economic bases of life in the various periods. If Marx had done no more than this, it would have been a great achievement, and his name would justly deserve veneration by all students of social affairs.

But the theory, as applied, went on to assert that only in economic history can the effective motives of men's actions be found. If Marx did not say this, his followers did, and they went so far that, after the death of Marx, Engels felt compelled to rebuke them. "Marx and I," he says in a letter, "are partly responsible for the fact that the younger men have sometimes laid more stress on the economic side than it deserves. In meeting the attacks of our opponents it was necessary for us to emphasise the dominant principle, denied by them; and we did not always have the time, place, or opportunity to let the other factors which were concerned in the mutual action and reaction get their deserts." In another letter Engels remarks that "when anyone distorts this (our statement) so as to read that the economic factor is the sole element, he converts the statement into a meaningless, abstract, and absurd



phrase.”\* And this is what the doctrine of historic materialism has come to mean in the hands of some of its most dogmatic exponents. Doubtless the theory contains a great deal of truth; doubtless it is true that a great deal of our morality to-day is social in its origin, and has been imposed on us because the past experience of the race has showed some things are good for society, and some things are bad, and, therefore, ought to be abandoned. And very often the beginnings of the repudiation of a custom are due to some change which has itself resulted from economic events. We repudiate duelling, but it was a matter of honour in the 18th century, and still is in militarist circles. The coming of democracy has frowned down the idea that the justice of a case can be decided by an exhibition of mere physical expertness; and it would be idle to deny that the spread and influence of democracy of the nineteenth century is largely due to the industrial and economic changes of the Industrial Revolution. Economic equality, on the whole, creates the democratic virtues—freedom and justice—just as it creates the democratic vice of irresponsibility. The feudal lord possessed most unjust rights over his tenants, which denied them their freedom. At the same time, he was much more sensible of his duties to them than was a nineteenth century factory-owner of the responsibilities he owed to his employees. These con-

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\* See for these letters of Engels':—Seligman's *Economic Interpretation of History*, pp. 142/4, where they are reprinted from *Der Sozialistische Akademiker*, of 15th Oct., 1895.

siderations evidence the truth of this theory and its good side. But it has a bad side, especially in the hands of extreme holders.

Once the importance of economic events in history is discerned, there is a tremendous temptation to exploit this theory unmercifully. It is assumed that the material interest is the only human interest, and that man is actuated only by economic motives. We are, in fact, presented once again with the classical bogey of the early 19th century—the economic man. Thus, a period of history is taken in which a great change has occurred. Examination reveals, as it always will reveal, that certain people in society have profited by the change. It is then roundly asserted that the desire for this particular profit by these particular people who have received it, is the real reason why the change has occurred. This is a ludicrously simple way of writing and explaining history. Can it be called scientific? And this concentration on economic aspects alone is full of pitfalls for the historian. Anxiety to get at a new, and hitherto unsuspected, cause of great changes often leads an enthusiastic theorist into strange positions. Engels himself did not escape this. In the introduction to his *Socialism, Utopian and Scientific*, he unfolds for us one of the real causes of the Protestant Reformation. It is this. Science, in the 16th century, was finding itself hampered in its pursuit of truth by the limitations imposed on it, in the interests of revealed religion, by the authority of the Church. But the bourgeoisie of the period was beginning to

find science useful to it in aiding industrial production. The bourgeoisie therefore supported the revolt against the authority of the Church in order that the limiting hand of ecclesiastical orthodoxy might be removed from scientific research, and from scientific conquest over nature, by which the bourgeoisie hoped to profit.\* This is a very novel and ingenious explanation. Does it, however, fit the facts? Where is there any evidence of science being applied to industrial production in the 15th and 16th centuries? Did that really come, in the sense in which it could be said to have interested the bourgeoisie, until the end of the 18th century? And were the bourgeoisie themselves in existence at this time? *The Communist Manifesto*, published in 1848, speaks of the bourgeoisie as "having sprouted from the ruins of feudal society," calls the epoch of the bourgeoisie "our epoch," and describes its rule as having existed for "scarce one hundred years."† Nor was the attitude of the Church towards science nearly as rigorous before as after the Reformation.‡ Moreover, all this pother to find a new economic explanation of the Reformation has apparently caused Engels to miss the economic explanation of this event with which most

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\* See Engels' *Socialism, Utopian and Scientific*, pp. XX. (4th Edition, Allen and Unwin, 1918).

† *Communist Manifesto*, published by C. H. Kerr & Co., Chicago, 1913, pp. 13 and 18.

‡ Roger Bacon, the father of English science, wrote with the direct encouragement of Pope Clement IV. The Papal Court rather prided itself on its patronage of the new learning in the fifteenth century.

historians are quite familiar, and that is the resentment of all the western European countries at the continued financial exactions of the Papacy during the Middle Ages. This was the economic grievance which ensured the Reformation propaganda a ready reception all over Europe. Not only does the doctrine of the materialist conception, when over-zealously applied, lead writers into positive historical morasses such as this; it also results in emphasis being laid on events as causal out of all proportion to their importance.

In a recent little book issued by the Australian Socialist Party, in Sydney, the author puts forward the thesis that the real motive for Australian federation, and the establishment of the Commonwealth, is to be found in the desire of the older politicians to constitute a parliament whose electorates should be too great in area for Labour candidates to canvass. The argument is this. After the advent of Labour in New South Wales politics (in 1891) the growth of the party worried the older free trade and protection politicians. Observing that the new party increased in the city rather than in the country electorates, "which were too expensive for Labour men to work," Sir Henry Parkes (the existing Premier and Free Trade leader of N.S.W.), "commenced to advocate the federation of the colonies, and the establishment of a central government. It was thought by Sir Henry and the old hands that the Federal electorates would be too large for Labour candidates to canvass, and consequently the old parties would be able to dominate the Federal Parlia-

ment and legislate in the old way . . . . . the real motive of the Federationists was to dish the Labour party, in which, however, they failed, despite the large electorates and a cunning constitution and electoral system.”\* Here, again, the explanation will not square with the dates. The first Parliament in Australia in which a Labour party existed was opened in Sydney, N.S.W., on 14th July, 1891. In 1867 Parkes had expressed himself in favour of federation. In 1883 a federal convention from the colonies of Australia and from New Zealand and Fiji had met in Sydney. In 1885 the Imperial Parliament had passed a bill setting up a Federal Council in Australia, which lasted from 1886 to 1889. Parkes had withdrawn from this Council on behalf of N.S.W., on the ground that its powers were too limited, and that he wanted a full sovereign Federal Parliament. The First National Australasian Convention was convened at Sydney under Parkes’ presidency on 2nd March, 1891, three months before the elections in which a Labour party was first returned to Parliament in Australia. Doubtless, the argument advanced above was uttered from the hustings as an explanation why some of the older politicians wanted federation. Perhaps it was even the reason why some politicians embraced the cause. Certainly it involves an economic explanation of federation acceptable to “class psychosis.” But, in view of the above sequence of dates, to advance it as a serious

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\* *Economic Warfare*, by W. R. Winspear (Marxian Press, Sydney), pp. 26 and 27.

explanation of the genesis of the federal movement in Australia is a serious historical error, and it affords another instance of the evils attendant on the over-emphasis of this method of interpreting history.

Men pass very easily under the dominance of theories, and even of phrases. William Liebknecht tells us how greatly the outlook of Marx and Engels was coloured in 1850 by this theory which they had just given to the world. He found them both greatly excited, when he came to visit them in London, about a little model of an electric engine that was running round and round a shop window in Regent-street, successfully drawing its little trucks after it. Marx seems to have regarded this as the beginning of the end of the old order. Here was electricity—a new motive power—successfully applied to traction. Presently it would be successfully applied to all industry. Would not that be a change in the basis of production? Would it not be a revolutionary change? Would not changes in the rest of the institutions of society follow rapidly? Would not the revolution be on them almost before they were aware of it, unless they were careful? They so infected Liebknecht with their excitement that he confesses he hardly slept that night, and he got up betimes next morning and hurried off to Regent-street to see the new portent before the revolution should arrive.\* This revolution, however, has not yet hap-

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\* Liebknecht, *Karl Marx, Biographical Memoirs*. Eng. trans. (C. H. Kerr & Co., Chicago), 1900. "Whoever," says Liebknecht, "prophesies revolutions is always mistaken in the date."

pened (1920); nor has the revolution prophesied by Marx in Germany in 1850. This seems to suggest that the materialist conception is of more value in interpreting the past than in prophesying the future. When we interpret the past by the economic method we are warned, as we have seen, by Engels that factors, other than the economic ones, must be taken into account.

If we are to apply this to our forecasts of the future, it is obvious that we must prophesy warily, since we can never know, even approximately, what will be the interaction of other social factors upon the economic ones. This does not mean that all prophecy is hopeless. But it does mean that our forecasts cannot be much more than forecasts of tendencies, always qualified by possible reactions of which we cannot be aware. For men do not act from one or two or even three motives, but from a complex of motives, and a theory of history which pays attention to only one set of motives will present artificially simple solutions of the problems it sets out to solve and will be untrue both in prospect and retrospect. A recent writer puts this forcibly, emphasising the danger of the theory to its adherents.

“As a conception of history this method has been very useful in checking the meanderings of romanticists, but it is too primitive to be of much use to the serious student of life. Moreover, the tendency to reduce human affairs to the comprehension of a child’s mind is not a good one. Both the rationalist and the socialist movements suffer from the paraly-

sis of these boring simplifications. A recognition of the complexity of the human mind in all its activities is the first step towards enlightenment."\*

The Materialist Conception of History really allows for this consideration of the complexity of the human mind in all its activities, if we are to believe Engels. Even in the earlier writings of Marx passages can be found in which he allows for other influences in the making of history than the purely economic ones. "Man makes his own history, but he does not make it out of whole cloth; he does not make it out of conditions chosen by himself, but out of such as he finds close to hand. The traditions of all past generations weigh like an alp upon the brain of the living."† Forty-three years after, Engels wrote, in reply to a student's question, "Men make their own history, but not as a result of a general volition, nor in accordance with some general plan—not even in a given limited social group."‡ It is true that the earlier statements of the doctrine by Marx appear to suggest that the economic motive was the only one to be relied on as explaining the changes in an epoch. And his followers at Socialistic congresses in Europe began

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\* *Fellowship*, a Monthly Magazine of Undogmatic Religion and Social and Literary Criticism (pub. in Melbourne, Australia), March, 1918, p. 108.

† Marx: *Eighteenth Brumaire of Louis Bonaparte* (translated by Daniel De Leon) (C. H. Kerr & Co., Chicago), p. 9.

‡ Letter of Engels, dated 25/1/95, pub. in *The International Socialist*, Sydney, 1st May, 1919. (Translation by Prof. Cheskis, of the University of Michigan).



to emphasise this. Engels, combating this point of view, wrote, in 1895: "The political, juridical, philosophical, literary, artistic, etc., evolutions are based on the economic evolution. They all react upon each other and upon the economic basis."\* He also includes the geographical conditions as an influence in development, thus making allowances for the geographical interpretation of history, which we noticed earlier in this chapter. "Further, among the economic conditions under which these phenomena obtain, must be included the geographical environment, and also the actual remains of former phases of economic evolution, which often persist by force of tradition, inertia, or because of circumstances which surround that form of society."\* "More than this," he says, in another place, "Marx and I have never asserted."† And in the letter of 1895 from which we have already quoted he squarely rebuts the idea that this doctrine can be held in an automatic way, enabling its holders, so to speak, to take the heart out of a historical situation at a glance. "History," he says, "is not, as some would imagine for the sake of their greater convenience, an automatic effect of the economic situation, but men themselves make their own history." Such qualifications and amendments in the presentation of the Materialist

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\* Letter of Engels, dated 25/1/95, pub. in *The Internationalist Socialist*, Sydney, 1st May, 1919. (Translated by Prof. Cheskis, of the University of Michigan.)

† Quoted in Seligman: *Economic Interpretation of History*, p. 142.

Conception of History, at the hands of one of its original formulators, have widened and broadened it very considerably. As one writer puts it, "it has lost its original character of a cook book recipe for making history."\* Racial traditions and ideals, geographical and religious influences are allowed to count, and to modify the economic basis which, nevertheless, remains as the cardinal factor in social development. And, if it be considered in this light a great deal of more superficial criticism of the theory falls to the ground, leaving a residuum of scientific statement which, it seems to the writer, exceedingly difficult, if not impossible, to refute.

So far we have dealt with the Materialist Conception of History as if it only meant the economic interpretation of history. But, according to Marx, it meant more than this. Not only did he maintain that the most effective determinants of social evolution were the economic conditions; he also asserted that the social changes caused by these economic conditions came about always in one particular way—by means of class struggles. These were the invariable machinery by which society was changed. *The Communist Manifesto* states this in its opening sentence. "The history of all hitherto existing society is the history of class struggles." The historical process envisaged by Marx was something like this. A change in the methods of production brings about a diversion of the product to new

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\* Simkhovitch: *Marxism versus Socialism*, p. 33.

pockets. The owners of these pockets naturally become the champions of the new system. But the very fact that they are profiting by the new system means that other people in society are not profiting to the same extent. Reflection on this makes the other people antagonistic to the new system, and, after a time, they become its natural challengers. Thus there is set up a class struggle. And in time this class struggle avails to change the very system which engendered it.

It will be obvious to those who have grasped the short analysis of the thought of Hegel, which is given in the first chapter (see pp. 5-6), how closely Marx has been influenced by this thinker in this conception of the class war as a social dynamic. Just as the *thesis* of Hegel is opposed to the *antithesis*, and from their opposition springs the ultimate reconciliation or *synthesis*; so in Marx we have the material interests of one class engendering a hostility intensified by the material interests of another class, at whose expense the former class is profiting, and, finally, from this clash and struggle emerges a new social order. And it is important to note that just as Hegel suggests the ultimate realisation of the Idea, *i.e.*, Truth, in a last final synthesis, so Marx expects the attainment of ultimate peace after a last final class struggle. In fact, Marx maintains that we are in the era of the last final class struggle now, and that after its culmination in the dictatorship of the proletariat, the world will have socialism and peace—"a classless commonwealth,

where the wicked will cease from troubling and the fighters be at rest." \*

Here, again, our criticism must follow the lines of that earlier made in this chapter. The class struggle part of the doctrine protests too much. It is true that Marx can look back over the field and point out that "freeman and slave, patrician and plebeian, lord and serf, guild-master and journeyman, in a word, oppressor and oppressed, stood in constant opposition to one another, carried on an uninterrupted, now hidden now open fight, a fight that each time ended, either in a revolutionary reconstitution of society at large or in the common ruin of the contending classes."† And it may be admitted that different economic systems do throw up contending social classes, and that they struggle together, and that the struggle does influence the progress of social evolution. But to admit this is not to admit that the only decisive changes in society come about by means of class struggles. Take the great new age that coincided with the accession of the Tudors. The whole of Western Europe felt this period as a decisive turning point in history. And the causes of the change were largely economic, it is true. The opening of the Atlantic as a highway, the blocking of the trade routes to the East by the Turks, the influx of treasure from the West, all these things can fairly be claimed as economic happenings, and they certainly

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\* O. D. Skelton: *Socialism*, p. 113 (Houghton Mifflin, 1911).

† *The Communist Manifesto*, page 1.

must be included among the causes of the new age. But can it be said that these things issued in class struggles? We have already noticed Engels' attempt to give the Protestant Reformation the appearance of a class struggle, and it does not bear examination. The great European War of 1914 was a decisive event. It seems idle to deny that it was largely due to economic causes. Yet, in every country, it cut through the existing class divisions, based on economic conditions, and joined workers and capitalists in common armies against national foes. Many other instances could be cited to show that the class struggle is not always the instrument that shapes history and moves men.\*

Moreover, this doctrine of change always by the class struggle presupposes that the exploited under any system will always recognise the fact of their exploitation and will make common and constant cause with each other against it. But do they? It is a common complaint of the socialist orator of to-day that the workers are not class-conscious. Marx made the same complaint seventy years ago. Is there any evidence to suggest that in seventy years time the workers, say in Australia, will be any readier to attend meetings of the Socialist parties than to go to picture shows? Surely it is time that a class-conscious proletariat was begin-

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\* The veteran orthodox interpreter of Marx, Karl Kautsky, admits this. "Only under certain social conditions is class struggle the motive of history." Kautsky: *Die Historische Leistung von Karl Marx*" (Berlin, 1908), p. 11. Quoted by Simkhovitch, op. cit.

ning to devote its leisure time to the manufacture of revolutionary zeal. Yet labour colleges, socialist congresses, and even trade union meetings, are no better attended than of yore, while the "flat" at Randwick and Caulfield racecourses, and the "hill" at the professional football matches continue to attract the workers in their tens of thousands. Take again the influence of religion in determining the class to which a man will ultimately be loyal. How often do working-class leaders protest against the sundering of labour solidarity by sectarian squabbles? And yet the process is repeated again and again. The plain fact is, as modern psychology is beginning to show us, that our actions and our attitudes are more often than not determined by mental processes which are only half conscious or which do not become conscious at all. The armies of the class war are not being recruited as the result of intellectual efforts on the part of the rank and file of the proletariat to apprehend the theory of systematic exploitation. For mankind in general does not hanker after courses of action which are dictated by a conscious intellectual effort. In fact, the class war propaganda seems to make more headway when it appeals to the emotions and instincts than when it depends on the understanding and acceptance of a highly intellectual and closely argued theory. But in this case it has to compete for the workers' attention with other emotional and instinctive suggestions, and, as the facts adduced above seem to indicate, it does not compete triumphantly in a great number of cases. And because

of this it comes about that there are not only two sharply defined classes, even among those based on economic interests, to one or other of which every member of society will naturally gravitate. The world will not bifurcate at the bidding of a theory. It will not now, and it is doubtful if it ever did. Even Marx himself, clever dichotomist as he was, was forced to recognise the existence of more than two classes in his study of the contemporary French Revolution of 1848-1851. He enumerates at least five—the industrial bourgeoisie (the manufacturers), the petty bourgeoisie (the small traders), the peasants, the landed proprietors, and the Paris proletariat. And it is very doubtful whether any of these classes have disappeared from present-day France.\*

But when all these qualifications have been made, we must recognise that the class war theory contains a solid basis of truth. Economic system after economic system in the course of the world's history has engendered antagonisms based on material interests, and such clashings have profoundly affected the course of events. Our own age furnishes an illustration, Who can deny the real quarrel which exists in modern society over the distribution of what is produced? It is scarcely helpful for well-meaning people to tell us that the interests of capital and labour are one. Such a statement appears to be based on a confusion of terms or else to be substantially untrue to the test of everyday life. Many people deplore class-hatred—and it is

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\* See *Eighteenth Brumaire of Louis Napoleon*.

deplorable—but, nevertheless, it is inevitable while our economic society is organised in such a way as to emphasise it.

But to admit this, again, is not to admit that the instrument of social change has always been the class struggle based on economic interests. Class animosity can exist and has existed without ever becoming potent as a factor in social change. Still less can we follow this theory into the statement that the present is the last of the great class struggles and that thereafter we shall have social peace. There does not seem to be, at the present time, one theory of social reconstruction which would succeed in abolishing class animosities of all kinds. Many of them would raise up quite new antagonisms in place of the present hostility between Capital and Labour. State Socialism, even if achieved without the creation of a *rentier* class, will raise up antagonisms between the consumers (*i.e.*, the public) and the bureaucracy. Syndicalism has not demonstrated how it proposes to meet the struggle that will arise between the organised monopolies of producers for which it is striving. Even the Co-operators have not yet solved the problem of reconciling the interests of co-operative producers, who naturally want to sell dear, and co-operative consumers, who naturally want to buy cheap. The Guild Socialists appear to have accepted as inevitable the continuance of divergent interests under their reorganised scheme of society, and have therefore made provision in that scheme for the reconciliation of such interests. It is,



perhaps, premature to make any criticism of Sovietism in this respect, but up to the present the Bolsheviks do not appear to have succeeded in establishing what can be called a classless State, although they promise that ultimately there shall be one. But we shall treat of this later (see chap. IV.).

The evolution of our modern industrial system does not seem to be bearing out this idea that the present antagonism is the last of the class struggles. Acute observers are beginning to notice how the control over our productive agencies which is generally supposed to reside with the capitalist is, in fact, more and more passing into the hands of one particular section of the capitalistic world. The master-key to unlock modern economic problems seems to be the more intelligent appreciation of the functioning of credit in our industrial system. It would seem that the activities of producers and consumers are becoming increasingly dictated by the controllers of credit power. A slowly growing volume of criticism is steadily being directed against the operators of this agency. The manufacturer and trader protest their impotence in the face of their bankers. The consumer cries out against steadily rising prices. He is told that they are due to the inflation of currency, which is, in turn, due to expansion of credit. For a while he is content, but presently he will become angry. The worker is told to produce more in order to reduce the disparity between commodities and purchasing power, but there is no one, apparently, to answer satisfactorily his counter

question—"produce what?" Is it fanciful to see in all this the gradual alignment of a new class struggle in society, that will replace the old grouping of labour against capital and worker against employer, with a fresh grouping of producers of all kinds, manufacturers, workers, traders, and clerks against the controllers of credit—the big financial interests? The demand that would then arise would not be so much for a socialisation of the means of production as for a communalisation of credit. Would such a new socialism be any less effective than the old socialism in raising up its own classes, its own class war? These are merely suggestions. The materialist conception of history is not always a good weapon in the hands of prophets, but a study of present-day tendencies from this viewpoint would be interesting. In any case the situation throws some doubt on the confident prediction that the present struggle is the final class war, after which universal peace will ensue.

It is hard to understand why Marx, who saw in all past history a record of class struggles, should have come to the conclusion that the existing system would close the class struggle epoch, for such a conclusion involves the belief that the future of the race is going to contradict the history of its past. Bearing in mind the scathing criticisms which he passed upon the proletariat of his own time on different occasions, it is hard to believe that he saw in them the supermen who, once placed at the head of the social system, would rise superior to the temptations of power which

have always afflicted men. One is therefore inclined to believe that this particular side of the class war theory was added by Marx in response to the promptings of his philosophical soul, under the influence of Hegelian dialectics. There was the theory all beautifully set out—thesis, antithesis, and synthesis—clash, counter-clash, and reconciliation. Here was the record of history with its reiterated clash and counter-clash. Was it wonderful that a philosopher, trained in German universities during the first half of the 19th century, should have succumbed to the temptation to complete the working out of the theory, and, since he could not point to a reconciliation and a classless state in past or present, should have prophesied such a development in the future?

It may perhaps be worth remarking here that if the first part of the doctrine of the Materialist Conception of History be held in the "automatic" sense of which we spoke earlier in this chapter, then it comes into direct conflict with the class war portion of the theory. For if the material factors of production and distribution automatically control human volition and make it react to a situation in spite of itself, so to speak, then there is no room in evolution for human conscious class warriors to change the institutions under which they happen to be living. Either the class struggle does exist and economic phenomena can be modified, or else the economic process is immutable, and so are the social institutions it brings in its train, and therefore no struggle avails to change it or them. This is not

a criticism of Marx, because, as we have seen, he did not hold the doctrine in this automatic sense. But it is a criticism of some of the modern exponents of the theory. And that it is not merely a fancy piece of analysis we shall see later when we come to observe the varying political policies into which this dilemma has led the modern Marxian movement.

In any case the holders of the automatic Materialist Conception of History should be careful where the logic of their doctrine leads them. For if, as they assert, the material basis of society is responsible for producing everything in a civilisation, it must also produce that civilisation's ideas. Now the Materialist Conception is an idea which, looked at from this standpoint, can be said to have been born in the 19th century. Are we to go on and say that it was merely a reflex of the existing system of capitalist production, and that with the passing of that system it will become invalidated as a conception of history?

Before we leave the consideration of this subject there is one other question to which we may turn, since there is a great deal of confusion and misunderstanding about it, both among the friends and the enemies of Marx. Is the Materialist Conception of History opposed to a belief in religion, or in the action of spiritual forces? From what we have already said it will be seen that, if the doctrine is held as it was by Engels in 1894, and as he assured us that Marx meant it to be held, it does leave room for the action of spiritual and religious forces, both individual and collective. It

should now be clear that the theory of Historic Materialism is really a theory of social and economic evolution. It is not to be confounded with Philosophic Materialism, which asserts that all things are to be explained ultimately in terms of matter, and not of mind or spirit, and which rejects altogether religion and the hypothesis of God. Philosophic Materialism and Religion are irreconcilable. They cannot be held together. But the Materialist Conception of History is not concerned with problems of origin at all. It does not attempt to account for the Universe. It neither affirms nor denies the existence of God or of immortality. It does not offer any kind of answer to the great ultimate questions, "Whence? Whither? or Why," with which both Religion and Philosophic Materialism are vitally concerned. But it does very definitely assert that changes in the form of religion, and changes in ideas about religion, and changes in the organisation of religious bodies follow upon and are connected with great economic changes in the world. Many religious people are to-day quite prepared to admit this, although it is anathema to others—mostly older people. The study of the subject of comparative religion shows how greatly the forms of religious thought, as well as the forms of religious organisation, are influenced by contemporary political and economic conditions. Thus a nation of fighters like the Norsemen worship warrior gods. A pastoral people like the Jews envisage God as a shepherd—a conception that has remained to this day in Christian hymns. The early Romans were an

agricultural people, and they had agricultural gods. Later, as western civilisation developed, it became more complex in its legal and social organisation, and the conception of the Deity reflected these changes. God got to be thought of as a Judge, an Advocate, and an Imperial King. And from these conceptions it is recognised that the strong legal strain of some of the doctrines of orthodox Christianity have been developed. The transactional view of the Atonement and the legal colour of the Judgment Day doctrine are instances in point. The God of the Middle Ages often appears to be in the likeness of a feudal overlord, while modern theological thought asserts God's fatherhood in much more democratic fashion. In fact, the heavenly commonwealth does tend to be a reflex of the earthly commonwealth. If anyone denies that the conception of God does change from age to age, he might be referred first to the Old Testament, and then to the New. Modern religious people can therefore hold the doctrine of Historical Materialism with no more qualms than they experience when they affirm the truth of biological evolution. Fifty or sixty years ago this was not so. Then Darwin and Marx were regarded by many earnest believers as twin anti-Christ. The clearer perception of the real meaning of these doctrines which has followed from discussion and criticism of them has mitigated their suspicions of both these teachers. It would perhaps save confusions of this kind if the doctrine of the Materialist Conception of

History were called by the name that just as fitly describes it—the Economic Interpretation of History.\*

When all our criticisms of the doctrine have been made, when we look at it explained and refined of crudities, as it has been by one of its original exponents, what does it amount to? Its essence has been stated by a modern Marxian writer as follows:—

“The evolution of society in general, its political institutions, its laws, its ethics, its philosophical views, and its religions, together with the struggles and conflicting mental and moral conceptions of the classes, cannot be comprehended apart from the economic environment, the matrix within which these phenomena are developed. Not being the sole factor, the economic basis alone does not furnish a complete and exclusive interpretation of history—for which a synthesis of all the determinant factors would be necessary—but, as the main efficient determinant factor it furnishes the most useful key to the understanding of the phenomena of history.”†

Put in this form the doctrine of the Materialist Conception of History means, not that all history is to be explained only in terms of economics, but that the chief considerations in human progress are the social considerations, and that of these social considerations the economic factor is the most important factor. As Sel-

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\* The whole question of the relation of Marxian Socialism and Religion is very interestingly discussed by John Spargo in a volume of that title.

† Spargo: *Marxian Socialism and Religion*, p. 65/6.

igman says, "The economic factors do not exert an exclusive influence, but they do exert a preponderating influence in shaping the progress of society."\*

When the theory, stripped of its tccretions and exaggerations, is stated in this way, it is difficult to deny its validity and its usefulness. It escapes the fallacy of regarding man as an entirely economic animal, while at the same time it insists that his economic interests form the dominating factor in his motives. It means that, so far as the past history of the race is concerned, man's economic interests have been the most important influence in moulding his collective actions.

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\* Seligman: *Economic Interpretation of History*, p. 67.



## CHAPTER III.

## THE MARXIAN THEORY OF VALUE.

We come now to the study of Marxian theory of value. Unlike the subject of the last chapter, the material for this one is derived not from the *Communist Manifesto*, nor from Marx's historical writings, but from his economic works. The Marxian theory of value is to be found in Marx's *Critique of Political Economy* (1857), and in *Capital*, written over a long series of years, the first volume of which he published in his lifetime, 1867, while the second and third were edited by Engels, and published after the death of Marx, in 1885 and 1894, respectively. The theory developed in Volume I. of *Capital* is an expansion of that set forth in the *Critique*, but does not depart in essentials from the earlier work. A short and more popular presentation of the theory is to be found in *Value, Price and Profit*, a paper written for the Congress of the International Workingmen's Association in 1865.

Consideration of the theory falls naturally under two heads—the labour theory of value, and the doctrine of surplus value. The latter is built upon the former and depends for its validity upon the conclusions reached in the earlier analysis. In this sense both aspects of the doctrine must be considered as an economic

whole. Later on, however, we must notice that there is a sense in which the doctrine of surplus value may be held as a sociological fact, without necessarily basing it upon the economic theory put forward by Marx. Let us first set forth this labour theory of value as Marx presents it.

He sees the modern world as an immense accumulation of commodities, and proceeds to analyse a "commodity" to find out what it is. He finds it must have a use value—to be useful to somebody—and that means that it must be wanted by somebody. Modern economists call such a commodity a utility. Use values form the basis of all production and all commerce. Every producer tries to make things which somebody wants, otherwise no one pays him for them. But this use value is absorbed in consumption and disappears. It was made to be used, and, having been used, it vanishes, sometimes after one using, like bread or tobacco, sometimes only after many usings, like machines. But while the producer of ancient times might justly be said to have been making things for present or instant use, the modern producer is making things which, though ultimately they are to be used, will only come to the consumer after a long series of exchanges or passages through markets. Hence, in modern times a commodity has not only a use value (for its ultimate consumer) but also an exchange value (for its next holder). To-day the producer is not concerned with use value, he makes the commodity merely for exchange. Nor are the intermediaries of commerce—the

middlemen—concerned with the use value of a commodity. The consumer, however, is concerned with both its use value and its exchange value. With the former because he wants to use the commodity, and with the latter because he has to part with its equivalent, in money or some other commodity, before it can become his to use. Its equivalent is a certain definite quantity of other commodities, generally measured in money (which Marx calls the universal equivalent). But how do we find this equivalent? Marx answers this question by an acute analysis of a philosophical kind.

He points out that articles are differentiated from each other as use values by their “quality”—wheat for eating, clothes for wearing, tobacco for smoking. But as exchange values they are differentiated from each other by their “quantity,” and not by their quality. A commodity owner who wants to make an exchange is concerned only with the amount of exchange value in his article. He asks how much of this value-giving property is there in his article; is there enough of it to satisfy the possessor of the article for which he wants to exchange it. That is as near as I can get to expressing what I think Marx means when he says “as exchange values commodities differ quantitatively.” This means that we can no longer consider the bodily qualities of commodities. We must leave out of sight their shape, texture, appearance, fineness, smell, taste, &c. We must forget that they have useful qualities. We must forget that they are the products of different

kinds of labour. We must no longer consider them as wardrobes, books, typewriters, boots, lamps, and tram-cars. We must only consider them as possessing something which gives them exchange value. But when we thus abstract all the material qualities of commodities what is there left which is common to them all? There must be some common remainder which gives them exchange value. What is it that is left? Let Marx speak:

"Let us now consider the residue of each of these products; it consists of the same unsubstantial reality in each, a mere congelation of homogeneous human labour, of labour-power expended without regard to the mode of its expenditure. All that these things now tell us is, that human labour-power has been expended in their production, that human labour is embodied in them. When looked at as crystals of this social substance, common to them all, they are Values."\*

We note that according to Marx, the *only* common constituent left is (certain quantities of) labour-power. Having isolated this common constituent, let us examine it. What kind of labour is it which constitutes the exchange value of commodities? First note that it is measured by time. We compare articles according to the number of hours, weeks, days, or years of la-

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\* *Capital*, Vol. I., p. 5. (International Library Edition—translated by Samuel Moore and Edward Aveling, and edited by Engels. Fourteenth impression, 1912. William Glazier, Ltd., London). All the quotations from Volume I. in this chapter are from this edition.

hour that is in them. This, however, does not mean that the value of an article depends merely upon the time taken to produce it. It is a common but very short-sighted criticism of this theory that, according to it, a commodity produced in eight days by a slow worker is twice as valuable as one produced in four days by a fast worker. For Marx allows for this. The labour-power which gives value to commodities is average labour-power. By average labour-power he means the amount of labour which an ordinarily skilful man working under normal conditions of production would require to produce any commodity. "That which determines the magnitude of the value of any article is the amount of labour socially necessary, or the labour-time socially necessary for its production."\* Thus, if the introduction of machinery decreases the average amount of labour necessary to make an article, the value of that article falls. If, on the other hand, more labour is required to produce it than formerly, its value rises.

The result of this analysis is to reveal what Marx calls the twofold character of the labour embodied in commodities, i.e., the labour which produces use value and the labour which produces exchange value. The former he calls concrete, special, or various labour, like that of the baker, the miner, the tramguard, the artist. The latter drops its special qualities and is seen only as abstract, general, or homogeneous labour. "Productive

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\* *Capital*, Vol. I., p. 6.

activity, if we leave out of sight its special form, viz., the useful character of the labour is nothing but the expenditure of human labour-power."\* This expenditure measures the value of a commodity, and Marx calls it simple, average, abstract labour-power. To this he reduces all kinds of labour.

Unskilled labour may represent one unit of simple, average, abstract labour-power, skilled work two, more highly skilled three, still more highly skilled four, and so on. Brain labour and muscle labour are not differentiated except in quantity. A doctor's day represents so many units of simple, average, abstract labour-power; an average worker's day represents so many units of the same thing. Hence the value of these individuals as workers can be compared and estimated. Now this is a very important claim. If we can find a means of measuring the units of simple, average, abstract labour-power in each man's efforts, we can also determine his relative value as a worker, and we can find a scientific basis on which to pay him. How then can we find a means of measuring these units of simple, average, abstract labour-power? Marx's answer seems to be that we measure the units of socially necessary labour embodied in a commodity by taking it to the market and finding out its exchange value. As this is such an important point it is perhaps well to give some quotations from Marx to justify the statement that he proposes to measure the simple abstract labour-power units by taking the commodity to the market.

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\* *Capital*, Vol. I., p. 11.



weavers are not few and far between. Lastly, suppose that every piece of linen in the market contains no more labour-time than is socially necessary. In spite of this, all these pieces taken as a whole, may have had superfluous labour-time spent on them. If the market cannot stomach the whole quantity at the normal price of two shillings a yard, this proves that too great a portion of the total labour of the community has been expended in the form of weaving. The effect is the same as if each individual weaver had expended more labour-time upon his particular product than is socially necessary.”\*

The implications of these passages are clear. It is not until a commodity is taken to the market and a price found for it that it is possible to measure the quantity of socially necessary labour-power embodied in it. Again we must note from the extracts that it will not suffice for the producer to fix for himself the amount of labour-time which he thinks is embodied in his product. He cannot do this alone. It has to be done socially, in the market, and with the co-operation of the seller. The market transaction determines the amount of socially necessary labour-power in the commodity.† It is quite possible, according to the

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\* *Capital*, Vol. I., p. 80.

† I am aware that at this stage, it will probably be objected that the market transaction does not “determine” but only “reveals” the amount of socially necessary labour in the commodity. I must confess that I cannot see that this terminology makes any difference to the argument. The



example of the weaver, for the amount of the commodity offering for sale in the market to lower the social estimate of the labour-time embodied in each unit of that commodity. This seems a fair estimate of this part of the Marxian theory, and we are confirmed in thinking so by the fact that distinguished exponents of the theory, such as L. B. Boudin, in America, and H. M. Hyndman, in England, take a similar view. Boudin says:—

“In determining whether an article is ‘necessary’ for society or not, it is not merely the general usefulness of the article and its actual necessity for some of the members of society that is to be considered, but also whether, in the state of the society’s economy, the need for such articles has not already been provided for sufficiently when compared with other needs. . . .”\*

The answer to the question “whether the need for such articles has not already been provided for sufficiently” is normally found by taking such articles to

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\* Boudin: *Theoretical System of Karl Marx*, p. 69.

example which will be adduced to show such a difference will probably be a yardstick which is used to measure the length of a roll of cloth. The length will be said to be there before the yardstick is brought into action at all. All the yardstick does is to reveal the length. But since length is a purely relative conception, I think it is correct to say that the yardstick determines the length of the cloth. We actually do not know the length of the cloth till we take up the yardstick and measure it. This whole argument involves the conception of an absolute pre-existing value, to which we shall have to return later on.

the market. How does a manufacturer determine whether the need for brass gongs has been sufficiently provided for? Surely by trying to sell them. Hyndman is even more explicit than this. He says:—

“Nobody, for example, can possibly tell how much labour is embodied in a commodity by the time which any particular individual has spent in producing it. *There is not, and there cannot be to-day, any such thing as absolute value measured by time.* All value is relative, and the value of commodities is not estimated by themselves, but only relatively to and in other commodities. This relative value is arrived at also indirectly by a social process, namely by exchange, the ratio of which exchange is determined by the higgling of the market; the whole operation thus is social from first to last, equivalence being established on the average by the market dealings.”\*

Let us now endeavour to re-state briefly the Marxian theory of value up to the point which we have reached. The economic world is a huge heap of commodities. These have been produced for the use of others than the producers in order that they may be sold or exchanged. But in what proportion will they exchange? Marx says they will exchange according to the amount of socially necessary labour-power embodied in each commodity, for this alone furnishes the element of quantitative difference between commod-

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\* Hyndman: *Economics of Socialism*, p. 50/51. Italics mine.

ities. Hence the amount of socially necessary labour-power in the commodities is the measure of their exchange values. This exchange value is not to be confounded with use value, which depends on the quality of the articles, and not on the quantity of labour-time embodied in them. There are certain criticisms of this theory which we might examine at this point.

The complaint is made that Marx leaves out of account the distinction between skilled and unskilled labour. Theoretically, this criticism has little or no validity. Marx especially guards against it when developing his theory. It is true that he makes unskilled labour the unit of socially necessary human labour. But skilled labour differs from this, since it contains a greater number of these units of socially necessary human labour. He says "skilled labour counts only as simple labour intensified, or rather, as multiplied simple labour, a given quantity of skilled being considered equal to a greater quantity of simple labour."\* Marx argued that goods exchange, not in proportion to the amount of labour embodied in them, but in proportion to the amount of socially necessary labour embodied in them. He does quite clearly differentiate between skilled and unskilled labour. On the other hand, in certain of his applications and examples he seems to write as if the labour of which he was talking was only manual labour, and certainly many of his disciples do the same thing. Thus, for example, it is a common propagan-

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\* *Capital*, Vol. I., p. 11.

dist trick to say that the working class produces all values and then to go on and suggest that the working class is composed only of wage-workers. This latter statement is not true. There are thousands of workers who produce value according to the Marxian definition, who are not wage-workers, and unless they be included in the term "working class" then the original statement that the working class produces all values is no longer true by the terms of Marx's theory. This theory distinctly allows for the part played by the labour of superintendents and of organisers, and by the labour of independent proprietors, but Marx in other places seems to neglect to allow for those particular kinds of labour in the application of his theories to actual industrial life, and some of his followers go a good deal further in this respect than he does.

Another objection to the doctrine is that the labour theory of value does not explain why value is attached to certain things in which no labor is incorporated at all. A favourite example given is the case of a man who chances to pick up a diamond or a nugget of gold, and who finds it is valuable, although no labour has been spent in producing it. But is picking up diamonds and gold the normal way of producing them in society? Remember, it is this normal system of capitalist production which Marx set out to explain. Moreover, we must ask how the value of such chance-found articles is really arrived at. Why is one picked-up diamond worth £500 and another picked-up diamond worth only £50? What determines the

differences in their value? Marx would reply that these values are determined by society's estimate of the amount of socially necessary labour-power which would be required to produce an exact equivalent of the picked-up stone. The consciously sought-for, mined-for, journeyed-for, transported, and marketed diamond determines the value of the chance-found stone.

Another objection to the theory is that it does not account for the value which attaches to certain articles of rarity, such as paintings of the old masters, or Washington's snuff-box, or Louis XIV's. walking-stick. This criticism can also be met by pointing out that these are abnormal commodities and that they do not come within the theory advanced by Marx since they are not part of the normal outfit of modern capitalist society.

Having answered these objections to the theory we now come to the difficulty which has been previously foreshadowed. We saw that, underlying the declaration that value depends on the amount of socially necessary labour-time incorporated in a commodity, lies the question—how is this amount determined? And we found the suggestion, in a series of quotations, that it was determined by the process of exchange. We must take the article to the market to find what figure the process of exchange indicates as the amount of socially necessary labour-power in the commodity. That is to say, we must estimate the work, not only from the individual producer's point of view, but also from

society's point of view. The individual producer is the seller, society is the buyer, and it is the interaction of buyers' points of view with sellers' points of view over the whole area known as the market which determines the amount of socially necessary labour-time in commodities. In this way the toil of the navvy, the farmer, the spinner, the office clerk, the domestic servant, the seamstress, and the poet are reduced to a common equivalent so that they can be compared, related, and estimated.

Adam Smith and Ricardo, who also put forward the labour theory of value, felt this difficulty of measuring and comparing different sorts of labour, and, though neither of them made exactly the same specific solution of the difficulty as Marx did, yet they both hint at the answer which Marx subsequently gave.

Adam Smith says:—

“It is often difficult to ascertain the proportion between two different quantities of labour. The time spent in two different sorts of work will not always alone determine this proportion. The different degrees of hardship endured, and of ingenuity exercised, must likewise be taken into account. There may be more labour in an hour's hard work than in two hours' easy business; or in a hour's application to a trade which it cost ten years' labour to learn, than in a month's industry at an ordinary and obvious employment. But it is not easy to find any accurate measure either of hardship or ingenuity. In exchanging, indeed, the different productions of dif-

ferent sorts of labour for one another, some allowance is commonly made for both. It is adjusted, not by any accurate measure, but by the higgling and the bargaining of the market, according to that sort of rough equality which, though not exact, is sufficient for carrying on the business of common life.”\*

Ricardo says:—

“In speaking, however, of labour, as being the foundation of all value, and the relative quantity of labour as determining the relative value of commodities, I must not be supposed to be inattentive to the different qualities of labour, and the difficulty of comparing an hour’s or a day’s labour, in one employment, with the same duration of labour in another. The estimation in which different qualities of labour are held comes soon to be adjusted *in the market* with sufficient precision for all practical purposes, and depends much on the comparative skill of the labourer and intensity of the labour performed. The scale, when once formed, is liable to little variation. If a day’s labour of a working jeweller be more valuable than a day’s labour of a common labourer, it has long ago been adjusted and placed in its proper position in the scale of value.” †

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\* Adam Smith: *Wealth of Nations* (Geo. Rutledge & Sons, London, 1890, p. 23).

† David Ricardo: *Principles of Political Economy* (John Murray, London, 1817), p. 12/13. (Ricardo follows this passage with a footnote quoting the passage from Adam Smith which we have just quoted). Italics mine.

Ricardo is not any more explicit than Adam Smith. But both of them say that labour-time determines value, and both of them suggest that the measurement of labour-time is effected by the market operations. But did Marx really get much farther, in essence, than either of his predecessors? He introduced the new conception of abstract, undifferentiated, socially necessary labour and divided labour into two kinds, concrete and abstract, the latter of which is the measure of value. But this only pushes the problem a stage further back. This abstract labour has still to be measured, and Marx explicitly says what Adam Smith and Ricardo only hint at, and that is, that it is measured by the process of market exchange. To what has this argument brought us? Let us put it down in a series of propositions. [The value of a thing depends on the amount of socially necessary labour contained in it. The amount of socially necessary labour embodied in it can only be found out by seeing for how much of other things it will exchange. We cannot estimate the value of anything without finding out the rate at which it exchanges for other things in the market. But the rate at which a thing exchanges for other things in the market is its value, so that we seem to have reached a conclusion that we cannot find the value of anything without first finding out its value.]

Where has the fallacy crept in in this reasoning? Marx tells us that the common element of all commodities is one thing only, and that is labour-power. Hence whatever difference in value exists between two things



must be due to differences in the amounts of labour-power embodied in them. But is this the whole account of the matter? Even if we admit with Marx that use value or utility can be totally disregarded (which many of us are not prepared to admit), can we still assume with him that there is no common element which might exist in the commodities which exchange with each other? Is there not, for instance, in every exchange a certain element of scarcity in relation to demand which goes to fix the rate of exchange? Does not Marx, in fact, admit this when he says in a quotation we have already made, that "if the market cannot stomach the whole quantity of a weaver's cloth at the normal price of two shillings a yard, this proves that too great a portion of the total labour of the community has been expended in the form of weaving." A buyer who will not give two shillings a yard, because the amount in sight in the market is such as to lead him to believe that prices will fall before all that amount is sold, acts on the assumption that the demand will lessen, and he argues that the value of the commodity will decrease because the demand will fall short of the supply. Marx says that the value of the article will decrease because too much time has been devoted to producing articles of this particular kind and that therefore the socially necessary amount of labour in each separate article has decreased. Is this a more exact description of what actually does take place than if one were to say that the buyers were shy of offering the normal price of two shillings because they

reckoned that the abnormally great quantity of woven goods being offered in the market would bring down the value of those goods? Marx seems to be merely describing this market event in language which allows him to fit it in to his theory. Directly he admits that the market operation does influence the value of the commodity he allows for the influence of demand upon value. But if demand can influence value, then value ceases to depend entirely upon the labour-time embodied in commodities. One cannot help feeling that the first nine chapters of *Capital* and most of the *Critique*, in which Marx develops his theory, are the result of highly abstract deductive reasoning, and that in the course of this Marx has lost touch with the industrial and commercial realities about the facts which he sets out to explain.

These criticisms of the Marxian theory of value are not new. They have been advanced before and they have been combated by the upholders of the theory. In the author's experience it has been found, that when the argument reaches this stage the objection is taken that the foregoing criticisms are only valid if we suppose that Marx said there were only two kinds of value—value in use and value in exchange. The Marxians claim that Marx quite certainly distinguished three kinds of value—value in use, value in exchange, and absolute value, sometimes called intrinsic value. They claim that the value of which Marx spoke in the first nine chapters of *Capital* was this absolute value. It is not, they say, a relative thing at all. It

is created when a commodity is made. It remains an inherent part of the commodity. The marketing of any commodity only reveals its exchange value, for which price is but another name. Whatever the price may be at this time or that, the absolute value is not affected. It remains in the commodity and eventually given perfectly free exchange processes, and no hindrances, the price of the commodity will approximate after fluctuations to this absolute value. \* As this argument is also advanced in connection with the statements made in Vol. III. of *Capital*, we shall consider it later in this chapter.

It may be urged that we have said nothing yet about surplus value, and that surplus value is really the great and illuminating contribution of Marx to the science of economics. We must therefore proceed to examine the doctrine of surplus value. But it would be idle to expect that we can accept the doctrine of surplus value if we do not first accept the labour theory of value on which it is based. † Yet it must be remembered that if one denies that labour is the *sole* agent in determining value, one does

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\* It may be remarked that if this contention is valid the terminology of the *Critique of Political Economy*, written in 1859, is entirely misleading, since it repeatedly refers to the determination of exchange value by labour time. It has been suggested, indeed, that wherever Marx used the expression "exchange value" in the *Critique*, the reader should substitute the expression "value" if he wishes to understand the Marxian theory of value.

† Marx insists that the theory of surplus value stands or falls with the theory of value. See *Capital*, Vol. I., p. 176.

not at the same time deny that labour is an important agent in determining value. It is a very important agent, but our argument is that it is not the only agent, nor has Marx's analysis yet proved it to be so. Similarly, it is quite possible, without holding the Marxian theory of surplus value, to hold that surplus value does arise in modern capitalistic systems. One can accept the sociological aspects of the theory of surplus value while rejecting Marx's explanation of the manner in which surplus value is derived. Let us now proceed briefly to examine what the Marxian doctrine of surplus value really is.

Surplus value, according to Marx, arises during the consumption of one particular commodity, and that commodity is human labour-power. Before surplus value can arise in any community two developments are necessary. First there must exist a class of labourers free to sell their labour-power for definite periods. Serfs or slaves whose labour is owned and not bought by their employers would not furnish opportunities for surplus value to be taken. Secondly, this class of free labourers must be bereft of the instruments of production. They must have one thing, and one thing only, to sell—labour-power. This the capitalist buys, sets it to work on inanimate objects, and produces commodities. But labour-power is so unique that what it produces with these inanimate objects is greater in value than the value of the sum of the inanimate objects plus the value of the labour-power expended on them. That is to say that the value of tools,

raw materials, and labour-power is less than the value of the finished commodity which their interaction produces. This difference between the value of the means of production, including labour, and the value of the products is surplus value. It is appropriated by the capitalists who own the tools, buy the raw material, and buy the labour-power. But the question immediately suggests itself—what is the value of labour-power, which thus produces more than its own value? Marx replies, “The value of labour-power is determined, like every other commodity, by the labour-time necessary for its production . . . .” “In other words, the value of labour-power is the value of the means of subsistence necessary for the maintenance of the labourer.” \* Let us suppose that labour-power (thus determined) is worth 3/- a day. That is to say that 3/- a day will enable a labourer to function and to reproduce his species. Let us further suppose that it takes six hours of socially necessary labour-power to produce the commodities which the labourer buys with his 3/-. By the time the labourer has worked six hours for the capitalist, he has returned to him the real value of his wages. If he stopped working then, there would be no surplus value possible. The six hours’ work would only give to the product an added value equal to that which the capitalist pays in wages, and which he reckoned equivalent to 3/-. But this would not profit the capitalist at all. So, according to Marx, while he pays the labourer 3/-, equivalent to six

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\* *Capital*, Vol. I., p. 149.

hours of labour, he makes the labourer work the whole day—let us say of 12 hours. He has a perfect right, Marx points out, to do this; for he purchased the day's work of the labourer, and with it the right to work him for the normal working day, which we have supposed to be 12 hours. Thus every hour that the labourer works beyond six hours means that he is putting into the finished product value for which he is receiving no return in wages. These additional hours represent the source of profit or surplus value to the capitalist. This is how the capitalist system exists, and without this automatic manifestation of surplus value it could not go on functioning.

The next step in the elaboration of this theory is the introduction of the terms "constant capital" and "variable capital." Constant capital is that part of the capital invested in the inanimate means of production—buildings, machinery, raw materials, etc. It is not to be confused with the "fixed capital" of the older economists, which did not include raw material. Its value is the value of the socially necessary labour embodied in it. But it is an inactive agent; for machinery and materials cannot of themselves add value to themselves. Labour-power is the only commodity in the world that can add value to other commodities by mingling with them, so to speak. So that we have to look for the source of the increased value of the product over the means of production, not to the raw materials or machinery, but to the labour-power. The capital which is invested in the purchase of labour-power—the hir-

ing of workmen—is called variable capital. This is not to be confused with the “circulating capital” of the older economists, which included the capital spent on raw materials as well as that involved in the payment of wages. Constant capital produces no surplus value, variable capital does. Constant capital merely reproduces its own value in the course of production. Variable capital reproduces its own value plus the whole of the surplus value. Thus, to take Marx’s own example. \* If £500 is laid out—£410 on raw materials and machinery actually used up (constant capital), and £90 on labour-power (wages or variable capital)—and the product is sold for £590, there is a surplus value of £90. Ordinarily we should say that the capital is making a profit of £90 on an outlay of £500, *i.e.*, 18 per cent., but Marx argues that the real rate of surplus value is £90 on £90, *i.e.*, 100 per cent. which is, he says, (p. 201), “more than five times the apparent degree of exploitation.” If, on the other hand, in any industry the value of the machinery and materials (the constant capital) is only £100, and the variable capital (wages) is £900, and if the profit amounts to £900, ordinarily we should say the capitalist is making a profit of 90 per cent. Marx maintains that since he is making £900 on £900 variable capital, the rate of surplus value is really 100 per cent.

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\* *Capital*, Vol. I., p. 194/201. (It should be noted that Marx reckons in constant capital only that part of the machinery that is worn out in each specific act of production).

If this is so, then it is to the advantage of the capitalist to increase the amount of labour-power in his business so that he can make more surplus value. He does this in three ways: *Firstly*, by increasing the actual number of hours worked by his men; *secondly*, by reducing the labourer's standard of life so that his wages will really represent less hours of socially necessary labour-time \*; and, *thirdly*, by increasing the productivity of labour, so that each hour worked for the capitalist adds more value to the product.

It is evident from this that, in the various industries, the higher the ratio of variable capital, the higher will be the rate of surplus value; and, on the other hand, the higher the ratio of constant capital the lower will be the rate of surplus value. And it is surplus value that constitutes the capitalist's profit. Lower profits, therefore, are to be expected from businesses involving a huge plant and much raw material (*i.e.*, a large constant capital) than from those which have not much plant but which chiefly employ human labour (a large variable capital). But is this so? Marx himself admits that the rate of profits in various industries seems to be entirely independent of the composition of the capitals employed in these industries. Shipping companies and steel works, which employ an enormous amount of constant capital compared to variable capital, do not

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\* Thus anything that makes for cheaper food is agreeable to the employing capitalist, as it lowers the cost of subsistence and so lowers wages. Hyndman maintains that this is the reason why the British capitalists fought for free trade in the 19th century.



ordinarily show less profits than concerns like those of building contractors, or parcels delivery companies, in which the proportion of the capital spent on machinery and plant and raw material is small compared to that spent on wages. Rather the general tendency is towards an average rate of profits in all businesses. Marx admitted the difficulty when he enunciated the theory:

“Everyone knows that a cotton spinner, who, reckoning the percentage on the whole of his applied capital, employs much constant and little variable capital, does not, on account of this, pocket less profit or surplus value than a baker, who relatively sets in motion much variable and little constant capital.”\*

However, he promised to explain in Book III. “that the rate of profit is no mystery so soon as we know the laws of surplus value.” † He died, however, in 1883, before the next volumes of *Capital* were published. The second volume, edited by Engels, appeared in 1885. But nowhere did its text contain an explanation how an average rate of profits could exist throughout industry without falsifying the labour theory of value. However, in the preface to this second volume, Engels announced that the explanation would appear in the third volume, and he suggested that, in the meantime, those who accused Marx of plagiarism should work out the problem themselves and send in their solutions. Twelve people were interested enough to take part in this re-

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\* *Capital*, Volume I., p. 293.

† *Ibid*, p. 198.

markable competition, but to none did Engels award the palm. At length, in 1894, the third volume of *Capital* appeared to solve the oracle. Marx's statement of the problem and his line of solution are indicated as follows:—

“We have demonstrated that different lines of industry may have different rates of profit, corresponding to differences in the organic composition of capitals, and, within the limits indicated, also corresponding to different times of turn-over; the law (as a general tendency) that profits are proportioned as the magnitudes of the capitals, or that capitals of equal magnitude yield equal profits in equal times, applies only to capitals of the same organic composition, with the same rate of surplus-value, and the same time of turn-over. And these statements hold good on the assumption, which has been the basis of all our analyses so far, namely, that the commodities are sold at their values. On the other hand, there is no doubt that, aside from unessential, accidental, and mutually compensating distinctions, a difference in the average rate of profit of the various lines of industry does not exist in reality, and could not exist without abolishing the entire system of capitalist production. It would seem, then, as though the theory of value were irreconcilable at this point with the actual process, irreconcilable with the real phenomena of production, so that we should have to give up the attempt to understand these phenomena.

"It follows from the first part of this volume (i.e., Volume III.) that the cost prices are the same for the products of different spheres of production, in which equal portions of capital have been invested for purposes of production, regardless of the organic composition of such capitals. The cost-price does not show the distinction between variable and constant capital to the capitalist. A commodity for which he must advance £100 in production costs him the same amount, whether he invests 90c + 10v, or 10c + 90v. He always spends £100 for it, no more, no less. The cost-prices are the same for investments of the same amounts of capital in different spheres, no matter how much the produced values and surplus values may differ. The equality of cost-prices is the basis for the competition of the invested capitals, by which an average rate of profit is brought about." \*

It will be seen from this that commodities are not sold according to their value reckoned in terms of the socially necessary labour time embodied in them. The selling price of products, according to Volume III., depends upon the average rate of profit throughout all industries, which is, to some extent at all events, determined by the competition of industrial capitals. How can this be reconciled with Marx's earlier published distinct statements to the workingmen of the International Congress of 1865? Here, one may

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\* *Capital*, Vol. III., Chap. VIII., pp. 181, 2. Charles Kerr & Coy., Chicago, 1909.

suppose, he was stating his theory in its simplest essentials. And he tells his hearers that in normal conditions "the market prices of commodities will correspond with their natural prices, that is to say, with their values as determined by the respective quantities of labour required for their production." \* And he goes on to insist "that profits are derived from selling commodities at their values, that is, in proportion to the quantity of labour realised in them." † Yet here, in Book III., we have the statement that the selling price of commodities depends in some degree upon average rates of profit fixed by competition. No longer is price "nothing but the monetary expression of value" ‡ ; it has become a "price of production," which "is equal to its cost price plus a percentage of profit apportioned according to the average rate of profit" \*\*. Since it is from these prices that the profits of the capitalist are made, then the profits of the capitalist do not *only* depend on the amount of surplus value which he extracts. They depend, to some extent, upon competition as well. And Marx admits this:

"If the commodities are sold at their values, then, as we have shown, considerably different rates of profits arise in the various spheres of production, according to the different organic composition of

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\* *Value, Price and Profit*, Chapter VI., p. 68 (C. H. Kerr & Co., Chicago).

† *Ibid*, Chap. VI., p. 70.

‡ *Ibid*, Chap. VI., p. 65.

\*\* *Capital*, Vol. III., p. 186.

the masses of capital invested in them. But capital withdraws from spheres with low rates of profit and invades others which yield a higher rate. By means of this incessant emigration and immigration, in one word, by its distribution among the various spheres in accord with a rise of the rate of profit here and its fall there, it brings about such a proportion of supply to demand that the average profit in the various spheres of production becomes the same, so that values are converted into prices of production." \*

Here it seems that Marx tells us clearly that things exchange in this capitalistic world of ours according to the degree of competition that exists between capitals. He does not say that this is the sole influence which determines exchange, but he says that it is one influence. And this contradicts the earlier statement that normally things exchange *only* in proportion to the labour embodied in them.

Several attempts have been made to reconcile this contradiction. Marx's supporters insist that Marx never said anywhere that an individual capitalist got all the surplus value produced by his own workmen. They point out that in Volume II. (devoted to capitalist circulation) Marx shows us how no value at all can arise from the process of circulation, and that therefore any profits that are made during circulation are merely different instalments of the original surplus value which arose in the first production, but had not

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\* *Capital*, Vol. III., p. 230.

been realised or taken by the original producing capitalist in its entirety. This is the ground of the defence made by De Leon, of the Socialist Labour Party of America, perhaps the most skilful English-speaking Marxist of the 20th century.\* He argues that there is no contradiction between the theories advanced in the first and third volumes of *Capital*, and maintains that the misunderstanding arises because the critics of Marx persist in confusing "rate of profit" with "mass of profit" and "volume of profit" with "volume of surplus value." Profit, he maintains, is only that portion of the surplus value that the individual capitalist pockets. It may or may not equal the total surplus value arising from the variable capital. Put in ordinary language, this is drawing a distinction between the profits which are actually made in production and the profits which are realised by the producing capitalists. And Marx draws this distinction quite plainly:—

"While the capitalists in the various spheres of production recover the value of the capital consumed in the production of their commodities through the sale of these, they do not secure the surplus value, and consequently the profit, created in their own sphere by the production of these commodities, but

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\* Daniel De Leon: *Vulgar Economy* (1914, New York). This little book is an exceedingly alert criticism of Skelton's criticism of Marxian Economics. For the present writer, however, it is marred by the bitter and polemic tone that seems to be inevitable in the literature of Marx criticism.

only as much surplus value and profit as falls to the share of every aliquot part of the total social capital out of the total social surplus value, or social profit produced by the total capital of society in all spheres of production." \*

Yet if we ask what it is that induces the producing capitalist to give up part of the profits actually made and take only a residuum, the reply is that competition forces him to do so. Therefore competition must help to determine normal prices, and if, normally, things are sold at their value, then value will depend, in so far as prices indicate it, upon competition as well as upon embodied labour. Moreover, this method of reconciling the contradiction exposes those who advance it to our original criticism of the fundamentals of the labour theory of value. For if all the surplus value be not realised by the producing capitalist when he sells the goods, and if it is sometimes not realised until the goods have changed hands perhaps six or eight times and have reached the eventual consumer, then we cannot ascertain what is the surplus value on any article until it has reached the hands of its ultimate consumer and been paid for by him. As Boudin says, "it is by this *expected ultimate price representing its full value* that the amount of surplus value contained in a commodity is ascertained." † Thus, if a London maker sells a hat to a Sydney importer for

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\* *Capital*, Vol. III., p. 186/7.

† Boudin *Theoretical System of Karl Marx*, p. 79. Italics mine.

10/-, and he sells it to a Sydney warehouse for 12/6, and the warehouse sells it to a retailer for 15/-, and the retailer to a customer for 17/6, then we cannot tell how much value or surplus value is embodied in that hat until it gets to the wearer. But this is none other than our original criticism of the labour theory of value. The theory maintains that value depends on the socially necessary labour time embodied in an article, yet one has to take that article to the market to find out what quantity of socially necessary labour time it contains, and hence what its value amounts to. This value, in virtue of which things exchange, depends for its calculation on the exchange ratio of things. In other words, we cannot calculate the value of an article (according to this theory) without first finding out how valuable it is.

Another reconciliation of the contradiction is suggested by Marx himself. He says that although commodities may not exchange in the capitalistic world according to their value reckoned in socially necessary labour time, yet, in the long run, taken collectively, the sum of commodities does exchange according to its value. He has described the first selling price after factory production as the price of production, and he goes on to say that "the sum of all the prices of production of all commodities in society, comprising the totality of all lines of production, is equal to the sum of all their values." \* This seems to mean that the sum of the first exchange prices of all commodities will equal the sum of their values as

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\* *Capital*, Vol. III., p. 188.



determined by the working time incorporated in them. And, therefore, it is claimed that the law of value holds true in the long run, however much individual prices may appear to contradict it. But this statement—i.e., that the sum of all prices equals the sum of all values—is not a proof that value is determined by working time. In fact it is not a proof of anything. It is a mere truism. We want to know why things exchange at the rates they do. We are told it is because of the socially necessary labour time embodied in them. And though this cannot be shown to be the fact as regards separate and particular exchanges (since Marx admits that competition interferes with them), yet it is asserted to be true of the sum of all commodities produced, because the total of prices paid for all commodities is exactly the same as the value of them, and hence of the labour time embodied in them. But no one disputes that the total prices of all commodities are equal to their value. What is the total price of all commodities? Surely the total amount of commodities for which they are exchanged. Leave out the disguises due to money, as Marx asked us to do, and we see that all the commodities in the world are exchanged for all the commodities in the world. In other words, the value of all the commodities equals the price of all the commodities, or all the value of all the commodities equals all the price of all the commodities. What does this tell us about values? Values are, as Marx has several times pointed out, a question of relations, and what a theory of values must explain

is the relation between different separate commodities. It must tell us why one pair of shoes exchanges for three yards of cloth, or 60 loaves of bread, or two spades. We do not need it to tell us that all the commodities taken together will fetch as a price the sum of all the commodities. This certainly does not prove that the value of the commodity depends on the amount of labour incorporated in it. For this argument might be used to prove that things exchanged according to their weight. It is true that one lb. of shoes does not exchange for one lb. of bread. It exchanges perhaps for 60 lbs. of bread. Yet the total price paid for 60 lbs. of bread and 1 lb. of shoes is 61 lbs. weight of commodities. Thus the sum of the prices of the commodities (measured in weight) is exactly the same as the sum of the weights embodied in the commodities. But this does not prove that weight is the standard of value in the exchanges that have taken place. Can this reconciliation be said to reconcile the divergent statements?

Another defence against the charge that the theories of Book I. and Book III. cannot be reconciled is taken by many Marxians. They assert that the Theory of Value, as presented in Book I., is a "pure" theory of value, that it has been reached by Marx only through a process of abstraction and simplification. The economic conditions assumed in Book I. do not, they admit, represent the stage of production which now exists. "The first volume was never intended to account for all the varied and complex phenomena of

developed capitalist production, and its failure to do so is no argument against its scientific accuracy.”\* This kind of abstraction is made, they say, in all sciences, and without it progress would be impossible. At this stage an analogy from the science of physics is generally introduced. The law of gravitation is not false because bodies in the world of nature do not fall to the earth at the velocities which that law ordains. Experience shows that the shape and nature of the falling body, the distance from the equator, and the resistance and friction of the air, all react upon the velocity and qualify the operation of the law of gravitation.† So, in the same way, the actual workings of the modern economic system modify the operation of the pure law of value, and when Marx comes to analyse this in Book III. he is aware of such modifications and states them quite frankly.

Now this is an astute defence which has to be examined. It is of no avail merely to pass it by, as is so often done by critics of the Marxian system. But it should be noticed that it cannot be held as a refutation of the charge of inconsistency against Marx, together with the defence which we examined first. According to De Leon, there is no contradiction between the theory of value as set out in Book I. and

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\* *Ability and Labour*—a controversy on the Economics of Marx and Mallock. Issued by the Socialist Party of Victoria, 1918, p. 17.

† See for other examples of this line of defence, Boudin's *Theoretical System of Karl Marx*, p. 146, and Spargo's *Karl Marx*, p. 350.

as operating in Book III.; the idea that there is a contradiction has arisen through a confusion of terms. But according to the school which postulates a pure law of value, there does exist a seeming contradiction due to the difference of the operation of the law in the abstract world of theory and in the concrete world of practice. Hence theorists of the different schools of defenders take up quite contradictory attitudes as to the status of the two latter volumes of *Capital*. Where one defender claims that "Volumes I. and II. are a most penetrating scientific analysis and Volume III. a masterly synthesis," \* another is at pains to explain that "no mention herein made by us of Volumes II. and III. of *Capital* is to be construed as a committal to the proposition that we consider the volumes the work of Marx, or him responsible for them, or them the second and third volumes of *Capital*." †

Let us now return to the consideration of that defence which postulates the theory of value as being on the same scientific plane as the law of gravitation. It has to be noted, first of all, that analogies between the physical and the social sciences are dangerous things. The physicist is dealing with inanimate data, no "will" or "volition" steps into his sphere to modify his conclusions. This is hardly the case with the economist. However much we may concentrate on "commodities," we must not forget, as Marx points out, that a "com-

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\* *Ability and Labour*, by Radix, op. cit., p. 19.

† *Vulgar Economy*, by Daniel De Leon, p. 46.

modity" only exists in human society. And a theory of value cannot neglect human wills, because human wills appraise value whether it be due to labour or to anything else. These facts give a degree of exactitude to the physical sciences to which the economist—let us be frank—cannot attain. A physicist can put his objects into a vacuum and actually demonstrate the law of gravitation. But only by mental abstraction can Marx arrive at that state of things in society in which this "pure" law of value could work. No practical demonstration of it is possible. Its scientific status is not that of a law but of a theory or hypothesis. Whether the hypothesis is to be accepted or not depends on its efficacy in explaining the facts. In Book III. the pure theory as advanced in Book I. is admitted by these apologists to be at variance with the facts as Marx revealed them, but they maintain that it is not so much at variance with them as to discredit the theory entirely. Hence arises the defence that the theory is a law, but a law which is modified in its practical working, and the example of the law of gravitation is readily seized as an analogy.

If, however, such defenders of Marx are willing to recognise and admit this, then their defence appears to be that Marx has advanced a theory that value depends on the human labour time embodied in an article and that, though the facts of the industrial and commercial system do not completely prove his theory, yet they show that the human

labour time in commodities continues to exert a powerful influence in determining their values; just as gravity continues to influence falling bodies powerfully although the incidents of their actual motion do not conform to the specified velocity ordained for them by the law of gravitation. But we are not concerned to deny that the amount of human labour embodied in a commodity powerfully influences its value. We have, however, suggested that other influences may help to determine it. If we want to make the Marxian theory of value a law of value, we can only make it a law which is valid for the social conditions which Marx presents in Book I. And that would be to consider the science of economics as the study of a static and not a dynamic set of conditions. Yet Marx's great service to the science of economics was that he did so much to free it from the conception that its material was static. The eternal verities and the immutable laws of earlier economists were at fault because they did not recognise that society and the economic relations in society were constantly changing and developing. It is one of the glories of Marx that, in his Materialist Conception of History, he effectually exploded that notion. "With the aid of this evolutionary concept, strictly positive and scientific, Marx triumphantly overthrew, on the one hand, classical economic science, taken prisoner by its own notion of a petrified society, and on the other, the philosophy of law and idealist socialism." \*

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\* *Karl Marx*, by Achille Loria (Allen & Unwin, 1920), p. 82.

If, therefore, this analogy with the laws of gravitation and the physical sciences is to be used, it must be used with discrimination. The Marxian theory of value cannot be given the same objective validity that attaches to laws of physics, which are capable of independent experimentation and verification. It will not suffice to argue that because the law of gravitation and the labour theory of value are both instances of forces which would work in a particular way if surrounding conditions allowed them free play, therefore both the law of gravitation and the labour theory of value have the same degree of objective validity. For the law of gravitation can be shown at work in actual physical reality. We can provide the conditions in which it will work infallibly. We cannot do that for the theory of value. We can, and Marx does, imagine a condition of things in which it would work. We can "abstract the varied skill of labourers, supply and demand, turn over of capital, organic composition of capital employed,"\* but we can only do it *in our minds*. We can only suppose the operation of these economic forces to be suspended. We cannot suspend them in fact, in order to make proof of the objective validity of the hypothesis we have made, and so convert that hypothesis into a law.

In examining this particular line of defence we have, by implication, examined the conception of pure

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\* *Ability and Labour*—op. cit., p. 18.

or intrinsic value, which we noticed earlier in this chapter. Such an intrinsic value is the value conceived to be embodied by human labour power in a commodity, the whole or part of which is realized in exchanging the article. We have no proof of the independent existence of such an intrinsic value. It is assumed as a fact because without it those who uphold its existence say the other facts cannot be explained. That is to say that intrinsic value is a hypothesis, like that of the pure or abstract law of value. It is not realised under the conditions of modern industrial and commercial society, and there is no way in which we can isolate or examine it. Intrinsic value of this kind could not be manifested except in such a state of things as in the first book of *Capital* is conceived to be existing for the purpose of demonstrating the "pure theory of value." Since, however, Marx, and the Marxians, claim that the value they postulate is that which exists in the world of to-day, we cannot admit the objective existence of an intrinsic value which cannot be shown to be manifested in the modern capitalistic world. It remains as a supra-sensible entity, accessible to thought only.\* There is indeed no reason why such a concept should not be held if it satisfies any thinkers.

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\* Bernstein, who brings out this point acutely, observes that it also applies to the final utility theory of value as advanced by the Austrian school and Jevons. "At the outset, Marx takes so much away from the characteristics of commodities that they finally remain only embodiments



The burden of proving the independent existence which they assume for it, apart from exchange value, must, however, rest with them.

For the last few pages we have been assuming that the labour theory of value as set forth in Book I. was not found to correspond with the facts of the existing industrial system as they were revealed in Book III. And those who have adopted the line of defence which we have been examining have admitted that this is so. It is worth noticing that Marx himself makes the same admission. He has shown in Book I. that, normally, exchange takes place between commodities, and he has described commodities as being objects whose value depends on the amount of human labour time embodied in them. In Book III., discussing the fact that, in modern capitalistic society, commodities do not exchange according to their value, he says:—

“The whole difficulty arises from the fact that commodities are not exchanged simply as commodities, but as products of capitals which claim equal shares of the total amount of surplus value, if they are of equal magnitude, or shares proportional to their different magnitudes.” \*

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\* *Capital*, Vol. III., p. 206.

of a quantity of simple human labour; as to the Bohm-Jevons school, it takes away all characteristics except utility. But the one and the other kind of abstractions are only admissible for definite purposes of demonstration, and the propositions found by virtue of them have only worth and validity within defined limits.” (*Evolutionary Socialism*, I.L.P. Press, 1909, pp. 34-35).

Later he suggests that "the exchange of commodities at their values, or approximately at their values, requires a much lower stage of capitalist development than their exchange at their price of production." \* The conclusion which such passages seem to suggest is that Marx was hinting that his law of value was valid for the ages before capitalism. No one of course can say whether Marx meant to hint this, for Marx was dead when the passages were published. But what did Engels think of it? He was the editor and part writer of Books II. and III. of *Capital*. The third volume appeared in 1894. In 1896 Engels wrote as follows:—

"Marx's law of value was therefore generally valid economically from the beginning of the period that, through exchange, turned products into commodities down to the fifteenth century of our era. The exchange of commodities, however, dates from a time anterior to all written records, stretching back in Egypt to a period at least 2,500 and perhaps 5,000 years, and in Babylon 4,000 and perhaps 6,000 years B.C.; the law of value has therefore been in force for a period of from 5,000 to 7,000 years." †

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\* *Capital*, Vol. III., p. 208.

† Engels' *Die Neue Zeit*, Jahrg XIV. 1896, Vol., I., p. 39. (This extract with this reference is given in *Marxism versus Socialism*, Simkhovitch, p. 273, footnote. Apparently Simkhovitch has translated Engels' article in *Die Neue Zeit*. Skelton, in his *Socialism*, refers to this declaration of Engels, but does not quote it, giving as a footnote a reference to *Die Neue Zeit*, 1895. De Leon, in *Vulgar*

From this it appears that the law of value which arose from an analysis of capitalist production has been valid, according to the man who knew Marx's outlook better than any other, for almost any period but that of the last four hundred years. Yet Marx's first volume bears the sub-title, "A Critical Analysis of Capitalist Production."

In view of such considerations it is not surprising to find that certain recent critics of the Marxian system have asserted that the abstract investigation of the first volume really postulates a state of things which does not exist at the present time. Croce claims that Marx's value is the value which would obtain in a completely capitalistic society, i.e., a society in which there are no commodities on which labour is not expended, and no monopoly together

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*Economy*, p. 19/20, criticising Skelton, says, "The passage quoted by Professor Skelton . . . is not Engels' at all, but is a passage that Engels quotes from a rough unfinished sketch left by Marx himself." I can only point out (1) that Skelton quotes no specific passage at all, merely giving a reference. (2) That Simkhovitch translates the whole passage, and it certainly refers to Marx in the third person. (3) That Skelton gives 1895 as the year of the reference. Simkhovitch gives his reference as 1896, but both references have the same title.

As I have not been able to secure access to the files of *Die Neue Zeit*, in Australia, I can only state the above facts, together with my impressions from the evidence available that the Simkhovitch translation is a trustworthy report of the Engels article in question. This impression is confirmed by the fact that J. W. Scott, in his *Karl Marx on Value* (A. & C. Black, 1920), p. 26, refers to Engels having pointed out that Marx's Law of Value held for thousands of years in primitive societies.

with a complete freedom of competition.\* Werner Sombart, the German critic, claims that the Marxian law of value is not an empirical, but a conceptual fact, i.e., not proved by experience, but existing only according to the hypothesis which Marx framed. How far Marx intended it to be so is, of course, another matter. Engels, who saw Sombart's criticism after it was published in 1894, admitted that the description of the Marxian law of value as a conceptual and not an empirical fact "could not be condemned as inaccurate, but that, nevertheless, it was too vague and might be expressed with greater precision."† Since then, in 1897, the French syndicalist philosopher, Sorel, has acknowledged that there is no way of passing from Marx's theory to the actual phenomena of economic life.‡ And Professor Antonio Labriola, the Italian Marxist, criticising Sombart's view, has written "The theory of value does not denote an empirical factum, nor does it express a merely logical proposition, as some have imagined; but it is the typical premise without which all the rest would be unthinkable."\*\* And this seems to mean nothing else than that the Marxian theory of value

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\* Benedetto Croce: *Historical Materialism and the Economics of Karl Marx*. Eng. Translation (Allen and Unwin, 1915).

† *Die Neue Zeit*, XIV., Vol. I., p. 4-11, 37-44, quoted by Croce op. cit. p. 55.

‡ Croce, p. 55.

\*\* *Ibid*, p. 55.

is a law not in the world of economic reality but in the world of Marx's own conceptions.

Such criticism is rather of a philosophical than of an economic nature. It examines not so much the facts which Marx stated in defence of his theory, but the logical grounds of his thinking. It cannot but be observed that it is far more sympathetic in tone than much of the economic criticism of Marx. Nevertheless it reaches practically the same conclusion as that to which we have been led in examining the theory. The Marxian theory of value is a hypothesis, true to the facts as conceived by Marx to be existing, and as described by him in the earlier portions of the first volume of *Capital*; but untrue to the facts of the existing economic world as Marx reveals them in the third volume of *Capital*. Since the hypothesis cannot be fitted to the facts, it remains a hypothesis, a theory, and not a law.

And if we ask, at the end of this rather detailed and perhaps tiring exposition of this subject, why it is that the Marxians of to-day are so bitterly resentful of any hostile criticism of the theory of value as Marx expounded it, what reply can be made?

The answer which suggests itself is that the average orthodox Marxian holds the labour theory of value not merely on account of its logical appeal or its successful explanation of economic facts, but because it is, he believes, an essential part of the system of Marxism, and if it be given up, the rest of Marxism will collapse. It is to him the foundation

doctrine of the whole system. There are many Marxians who explicitly state this. "To accept any one of the parts of the system and to reject the others simply betrays ignorance of the parts which are accepted and rejected alike."\* Other Marxians, however, are not so dogmatic as this. Spargo, the American, Bernstein, the German Revisionist, Loria, the Italian Socialist, and (to a certain extent) Labriola, suggest in several places that the Marxian system does not depend on the economic validity of the labour theory of value.† But the straitly orthodox will have no criticism of the theory. Anyone who criticizes it is an agent of the capitalist striving to throw dust in the eyes of the poor workingman as he sets out towards the goal of truth. Yet, in practice, the Marxians make surprisingly little use of this theory in order to demonstrate the fact of exploitation of labour by the owners of capital. The socialist denunciation of exploitation to-day is not based on a reasoned application of the labour theory of value. We do not find that the masses are moved to revolutionary enthusiasm by the quotation of figures showing the proportions of variable and constant capital in industrial enterprises, and the mathematical estimate of surplus value filched from employees. As a matter of fact

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\* Boudin: *Theoretical System of Karl Marx*, p. 49.

† See Spargo's *Karl Marx*, p. 346 (National Labour Press, 1910); Achille Loria: *Karl Marx*, p. 70-81 (Allen & Unwin, 1920); Bernstein's *Evolutionary Socialism*, p. 35 (I.L.P. Press, 1909).

the compilation of such figures is seldom attempted. Socialists and revolutionary orators rely rather upon the broad statistics of wealth distribution, with their startling revelations of inequality, and their strong suggestions of social inequity. The broad statement that 83 per cent. of the people of Australia possess only 13 per cent. of its private wealth, while the remaining 17 per cent. own 87 per cent. of it,\* is much more useful (and is much more used) as propaganda for socialistic reconstruction than any scientific exposition of the rate of exploitation according to the Marxian theories. A glance at any of the newspapers of the Marxian parties will show how much they rely on the quotation of statistics concerning probate duties, waterings of stock, manipulation of shares and the like, in order to criticize the existing system of society. If the Marxian analysis of value and surplus value explains the mechanism of capitalistic exploitation so convincingly, then it seems strange that more scientific use is not made of it in dealing with the statistics of modern industry and finance.

This readiness to assert a doctrine in theory, coupled with a disinclination to use it in practice, suggests that the labour theory of value is really an article of faith with many Marxians. It is held not so much because it explains the mechanism of ex-

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\* *Bulletin on the Private Wealth of Australia*, compiled by the Commonwealth Statistician from the Wealth Census Returns of 1915 (Melbourne, 1919).

ploitation, but because, if accepted, it is a proof that capital robs labour. As such it establishes a moral case against capitalism, and this is precisely what the Marxians want. Such a suggestion will immediately excite their derision. They will assert that morals and justice were matters of no concern to Marx, who demonstrated that such things depended entirely for their validity and acceptance on economic considerations. And it is true that Marx professed to set no store on moral appeals and eternal justice and the like. But although professing to set no store on such things, it is idle to deny that he made the fullest use of them in writing his great work. Practically two-thirds of the first volume of *Capital* are devoted to an examination of the facts of economic history. He found in the British Museum the records of the various commissions on the Factory Acts, and, in the words of Bernard Shaw, he "convicted private property of wholesale spoliation, murder, and compulsory prostitution; of plague, pestilence, and famine; battle, murder, and sudden death." \* He accumulates page after page and chapter after chapter of very terrible economic facts relating to the exploitation of labour, which are a disgrace to 19th century England. And they lose nothing in the telling. "Brought up to illustrate some fatalistic theory which Marx professes to have proved by exact reasoning, they cannot but stir into fury any passionate working class

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\* *Fabian Essays*, 1920 Edition, p. 179



reader.”\* And this undoubtedly constitutes the attraction of the book for many working class readers. Here, set down passionately, fiercely, and with biting sarcasm (the very point of which is that it depends on the injustice and immorality of the terrible events he describes), such a reader finds proof of the exploitation of his class. Relentlessly Marx presses fact after fact upon him until his mind is incapable of an act of detached judgment upon abstruse economic phenomena because of the mist of passion and hatred which the recital of these events has raised in his soul. Perhaps the chief impressions left upon an unprejudiced reader of *Capital* are those of the vivid humanity of the writer and the beastliness of the industrial system. But working class readers are not unprejudiced, nor can they, in view of their history, be expected to be so. They want to find an indictment of capitalism, and they find it in this book, all carefully set out, with chapter and verse given. It is not, therefore, wonderful that they are unwilling to follow the dry logic-chopping argument of the economist who sets out to refute their master’s theory. They feel that an author who publishes these burning records of callous and unjust exploitation must have his heart in the right place. He must be champion of the oppressed. His theories must be true. The labour theory of value is held to be justified because it is said to

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\* Bertrand Russell: *Roads to Freedom*, p. 41.

be proved by the quotation of historical facts. The facts justify a hatred of capitalism and all its works. The theory suggests the way in which capitalism has developed and will eventually crash to ruins. What more natural than that such a theory should be adopted and passionately held by the successors of the generations who were so ruthlessly used? Can it be denied that, in this sense, the labour theory of value has given a moral case to thousands of men and women? The most superficial acquaintance with modern Marxians reveals that the appeal of Marx is, for them, an appeal to their moral natures. Their passionate defence of Marxism is based on something more than its reasonableness. It can be compared rather to the defence of religious devotees for their faith.

## CHAPTER IV.

MARX AND THE MODERN PROLETARIAN  
MOVEMENT.

Any adequate study of the influence of Marx upon the modern proletarian movement refuses to be crushed into the limits of the concluding chapter of a short book like this. Nothing has been more remarkable than the way in which Marxism, as a social philosophy, has suddenly attained tremendous importance during the past four years. Before 1914 it was the fashion to say that Marxism was a spent force, its economics confusing and barren, its social philosophy sordid, materialistic, and outworn. But, once again Marx has confounded the critics. His adherents to-day are everywhere multiplying, his gospel is preached with renewed vigour, his tradition is increasingly venerated, and in one great country his followers are controlling the machinery of the State. Not the least notable feature of this renaissance of Marxism is the stress that has been laid upon his political and sociological ideas, compared to that given to his economic theory. In this chapter, unlike the last, it is the sociology rather than the economics of Marx to which we must attend. And first of all we must endeavour to get some idea about the existing Marxists of to-day. Who are they?

Where are they? And what do they teach? It may seem strange to ask what it is that the Marxists teach. Surely they teach Marxism! But what is Marxism? Here, at the outset, we are faced with the fact that different Marxian bodies are by no means unanimous in their doctrine. H. M. Hyndman, the veteran British Marxian, writing in 1915 about the necessity for the acceptance of socialism in order to realize the solidarity of the workers, goes on to say:—

“The school of Marx will take the lead in this high endeavour even more completely in the future than it has in the past. The reason for this is that Marxists alone possess the key to the complex historic, economic, and social evolution which leads to the new period. We do not claim any vain infallibility, or lay down a doctrinaire programme of inevitable development. Our work is to take account, consciously and capably, of the events which are occurring under our eyes; using and adapting the theories of a great genius to stages of human development, the full details of which he claimed neither to foresee nor to predict.” \*

It is to be noticed that while Hyndman disclaims “vain infallibility,” he yet maintains that the Marxists alone hold the key to the future. But Hyndman might be asked “which Marxists?” He speaks as if the Marxists were a single, undivided body, ac-

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\* Hyndman: *The Future of Democracy*, p. 200-201.

cepting the tenets of the Marxian system of thought, interpreting them alike, agreeing about the proletarian strategy they illustrate and about the proletarian tactics which they suggest. But does this assumption accord with the facts? If we look for this single and undivided allegiance to one undisputed interpretation of the gospel according to Marx, we do not find it. Even in Sydney alone there were enough inter-exclusive organisations which professed and called themselves Marxian to induce a proletarian movement towards socialist unity in 1919, in order to end this scandal of unhappy divisions. These separate parties do not love each other, although four years ago they could be found in harmony of denunciation of the I.W.W. Local that existed in Sydney and that also proclaimed its unswerving fidelity to Marx.

These local examples, which could be paralleled all over the proletarian world, suggest that there are good reasons for refusing to use such expressions as "the School of Marx," and "The Marxists alone," as Hyndman does. It will perhaps serve to clear the ground if we can, in this chapter, examine the existing proletarian bodies which claim to draw their inspiration from Marx, and then endeavour to classify them if we can. We shall find that since Marx's death in 1883 there has been a confusing multiplication of Marxian parties, but that taking them broadly they have tended to fall into three classes. As a result of the War, the Russian Revo-

lution, and the Peace, the lines between these three classes are fading, and a fresh re-grouping of left and right Marxian parties is emerging.

Marxism is, as we have already pointed out, not only an economic system but also a sociological one. And there are many who are in general agreement with the sociological part of Marx's work, but who cannot accept his economic theories. The chief ideas of the system and the forecasts which Marx made from them may be again briefly summed up as follows.

Having enunciated his basic doctrine of the Materialist Conception of History, Marx held that the whole social system was dependent upon the conditions of production, distribution and exchange existing in any society. He therefore proceeded to examine the present system and he found its characteristic motive was the accumulation of surplus value. Incidentally (and it seems to many to be only an incident and not an essential of his whole system) he showed how surplus value arose and exactly in what manner it was taken. We have already given reasons for disagreeing with Marx about this particular aspect of his thought. This surplus value, the existence of which is admitted by many who deny the accuracy of Marx's analysis of it, is featured by other economists under different names—such as “unearned increment,” “unproductive surplus,” “surplus of industry,” etc. Marx said this surplus value would go on accumulating and would concen-

trate in fewer and fewer hands, engendering in the process an increasingly bitter class war between the class that took the surplus value and the class that could not get it. This chasm, once opened in society, would gape wider and wider until the society disintegrated. Capitalism would thus totter to its doom, no longer able to sustain itself in the face of its own social effects. But all the time this was happening, society as a whole would be learning the lesson of socialized production, although socialized distribution would be held in abeyance. The crisis would occur, economically speaking, when the old anti-social capitalist distribution was ready to be superseded by the new social democratic distribution based on the use made of commodities and not on the profit made from them. This would constitute the revolution, and, to usher it in, the proletariat would assume a dictatorship and preside over the birth of the new society about to be delivered from the womb of the old one. The new society would concentrate the ownership of the means of production in the hands of the community as owner in trust for the whole people. Private property would be abolished, and in the new communist society, the reason of class divisions being abolished, there would be no more classes and no more class war.

Now, most of this programme is to be found in the *Communist Manifesto* (1848). In fact it is all there except the doctrines of Value and Surplus Value. And Marx and Engels in that document, towards the

end of the second section, lay down an immediate programme for the attainment of a better state of things. In that programme we find graduated income taxes, state banks, state transport, free education, and other projects now more or less familiar. These things the extreme Marxian of to-day denounces as palliatives. As a matter of fact the *Communist Manifesto* is two-sided. It contains hints of what is called reformism, as well as exhortations to revolution. And this is not surprising. Marx, for all his revolutionary radicalism, exhibits in his life a certain strain of political opportunism and compromise. Thus, for instance, in the *Manifesto* he ends by declaring with Engels that the ends of the Communists "can only be attained by the forcible overthrow of all existing social conditions." Again, in his newspaper in 1849 he writes, "We are ruthless and want no consideration from the bourgeoisie. When our time comes revolutionary terrorism will not be sugar-coated . . . there is but one way of simplifying, shortening, and concentrating the death agony of the old society as well as the bloody labour of the world's new birth—revolutionary terror."\* Yet this attitude strongly contrasts with his patient practical organization of the old International Working Men's Association from 1864 to 1872, into which he admitted English trade unionists, who were not socialists at all. So, too, while in earlier

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\* *Die Neue Rheinische Zeitung*, No. 301, 19th May, 1849.



writings he deprecated palliatives and reforms as being of little use, and in fact as being positively harmful, since they prevented the development of capitalism, and so postponed the day of its doom, yet we find him in his opening address to the I.W.M.A. in 1864 actually commending the Ten Hours Bill (a purely reform and palliative measure), and blessing the efforts of the English Co-operators to whom he had referred in a disparaging manner in 1851.\* That this is not an unfair accusation can be gathered from the following sentences of his prominent English disciple, Hyndman, written in 1915:—

“The truth is that Marx, who, in theory, was a thorough-going revolutionist, and in practice a revolutionist and supporter of revolution, wherever he could act in that capacity, comprehended more fully than any of his followers that the greatest social transformation of all time, from capitalist competition and production for profit to socialist co-operation and production for use, must of necessity be a slow process. Therefore in his anxiety to keep in touch with the organised forces of labour he ceased at times to be a theorist merely and became in some degree an adherent of compromise.” †

Spargo explains this by claiming that the older and wiser Marx found it necessary to abate some of his earlier enthusiasm, that the developed proletarian fighter speaks in 1864, and the idealist youngster

\* See Spargo: *Karl Marx*, pp. 266 and 332.

† Hyndman: *The Future of Democracy*, p. 184.

in 1848. We cannot discuss this here. All we need to show is that there is—both in the *Communist Manifesto* and in the whole corpus of the Marxian writings—suggestions which point in the direction of proletarian revolution, and suggestions which point in the direction of political reformism. And in view of this it is not wonderful that, after his death, various movements, which claimed Marx as their inspiration, set their faces in different and often opposite directions. Here, then, is one point of difference. We might notice that none of such bodies would find it necessary to revise Marx's work. They could simply find in it different inspirations by emphasising some aspects of his doctrine and by neglecting others. Thus Marxian Reformism need not necessarily be Marxian Revisionism, although in the practical outcome these attitudes exhibit little difference.

Revisionism began, strictly speaking, in 1899, when Eduard Bernstein, a member of the German Social Democratic Party and London correspondent of its paper, published his famous *Evolutionary Socialism*, in which he criticized the Marxian forecast of social development in the light of what had actually taken place since Marx's death. He abandoned such characteristic doctrines as the suicide of capitalism and its speedy dissolution, the class war, and the theory of surplus value. Bertrand Russell describes Bernstein's work as being of a broad church type, and says it consists, like all such work, in show-

ing that the Founder did not hold his doctrines so rigidly as his followers have done.\* This rigid orthodoxy of theoretic Marxism was strongest of all in the German Social Democratic Party, although, as we shall presently see, it was not accompanied by revolutionary action in spite of its revolutionary theory. The revisionist position of Bernstein is, practically, very like the reformist position of the English Fabians. It takes and blesses what it can from Marx. It is eclectic. It looks forward to a peaceful transformation to socialism, through the democratic machinery of the State. It does not shun alliance with liberal reformism, and it accepts the fact of nationalism. But it does not deny the materialist conception of history, nor does it deny that the future to which society approaches is a system of socialism. Here then is a reformist movement not based on Marx but based on criticism and revision of Marx. It conquered a great many of the German Social Democratic Party, and it has found adherents in all countries. Australian Socialism is of the revisionist reform type. This is the kind of socialism put forward by W. M. Hughes in his *Case for Labour*, and by W. A. Holman in his famous debate with the late Sir George Reid.

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\* Bertrand Russell: *Roads to Freedom*, p. 45: In March, 1914, Bernstein, in a lecture at Budapest, withdrew from his Revisionist position in several respects. Kautsky, the German Social Democrat, claimed that Bernstein acknowledged that all the important doctrines of Marxism are true. See Hyndman: *Future of Democracy*, p. 189.

We have now indicated the ground that exists for the reformist and revisionist schools of socialism. In practical policy they are almost indistinguishable, and we shall henceforth consider both schools as reformists looking for the betterment of social conditions through a policy of reform to be accomplished by a greater development of democratic solidarity.

But the groundwork of our classification is not complete when we have divided Marxians into reformist and revolutionary parties. Among the revolutionaries we have still to mark down a divergence of interpretation which is very important. For, though at the outset this divergence appears merely to be a tactical difference, it contains the seeds of a much more fundamental division.

Marx, in his forecast, stated very definitely what would happen. There would be a suicide of capitalism, and it would break down of its own weight. But the actual conditions of the crisis are not so definitely described. "How will the revolution occur?" is the question the inquirer asks, and he finds Marx stating (a) that the new society will develop inside the womb of the old. But, furthermore, he finds the statement (b) that force is to be the midwife of progress, delivering the old society, which is pregnant with the new. (One finds the socialists are very fluent with these obstetric metaphors.) Now, within these statements there is room for two different and contrary principles of action on the part of the proletariat. Has the materialistic conception of history said the last

word about social development? Is Marx's prophecy right? Is capitalism going on inevitably to its own ruin? Is it, as Marx suggests more than once, unnecessary to help capitalism along to its doom? Will not, in fact, all action for better conditions, all conscious policy to help this "rake's progress," only result in hindering the working out of the great economic evolution? The mills of capitalism are grinding slow, but are they not grinding out inevitably a new society, and must we not be chary of interfering with the process? Will not all the palliatives of the reformists or the uprisings of the revolutionists only delay the matter? Theoretically, they will, according to some passages in Marx. But, on the other hand, force is to be the midwife of progress. Revolutions are to be bloody. There is to be a long-drawn battle—set out in military metaphors—between the owning class and the dispossessed. The proletariat are to seize the reins of power. They are to be dictators. And did not Marx aid the revolution of 1848 and bless the Commune of 1871? Here, then, is ground for another attitude towards social regeneration, and one completely different from the passive expectancy which we have just been considering.

So that, on the whole, it may be said that there can be based on Marx three quite distinct schools of proletarian tactics.

(1) *The Reformist School*—based on the political proposals of the *Communist Manifesto* and on the actual proletarian activity of Marx between 1860 and

1872—the Marx that remarked that “Every step of real movement is more important than a dozen programmes.” \*

Then there is *the School of Revolution*, which believes the new social era will come not after a long series of progressive reforms which shall gradually change the face of society, but rather as a catastrophic event during which the new order will burst from the shell of the old. But upon the attitude to be adopted to present discontents there is a division of opinion in this School, and consequently a division of organizations in the revolutionary parties.

(2) There are what might be called the *Automatic or Quiescent Revolutionists*, who spread the gospel of the new order, warn society of its inevitable advent, and then sit down calmly to wait for it, knowing that the stars in their courses fight for socialism and men's efforts avail not to hasten its coming.

(3) Opposed to them are the *Parties of Active Revolution*, the energetic Marxians who not only expect the New Dawn, but who try to hurry it along. Deprecating the policy of passive protest, they endeavour to supplant it with constructive activity.

These divisions did not all appear at once. They have developed gradually. Nor would it be accurate to say that one could fit every existing Marxian organization into one of these divisions and one only. But

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\* See his letter to Bracke on the Gotha programme, 5th May, 1875, p. 5. (Published by Australian Socialist Party, 1920).

they do seem to indicate a basis of classification of contemporary Marxian parties on the principle of differences in proletarian tactics. And we shall now proceed to examine very briefly the proletarian parties of to-day, pointing out to which of the above classes they most approximate. Let us first consider them as they had developed up to 1914.

Turning first to the *United States* we find that in 1872 the headquarters of the I.W.M.A. were transferred to Philadelphia to escape from the attacks of the anarchists, whom Marx feared would capture that organization and turn it to terroristic purposes quite alien to his plans. But it petered out in 1876, robbed of the dynamic of Marx's personal activity. Meantime, there had been formed in 1874 the Socialist Labour Party by a knot of immigrants and refugees, mostly German, aided by some American workers. The social conditions of the U.S.A. during the seventies, when free land awaited the immigrant and competition had not given place to trusts, did not tend to generate social unrest, and the converts to socialism were not many. In the eighties some immigrants started a rival anarchist society, but after a fight the Socialist Labour Party repudiated this tendency, as Marx had done in the sixties and seventies. But the industrial workers of the U.S.A. were more attracted to purely industrial organisations, which did not bother about socialistic platforms and asked for no declaration of principles from their members. Thus it was that the Knights of Labour (1878) and the American Federa-

*France.*—Marxism has influenced France, but not so much as Germany. The strong dash of idealism in the national temperament, the impatience for action and the dislike of mere theory has tended to make France the home of revolutionary action. From 1789 onwards this has been so, and it is not surprising to find that the majority of the Utopian Socialists of the early 19th century were French, and that anarchism has always found a harbour there. The propaganda of the deed has always appealed to the Gallic temperament. Nevertheless, in 1879, there was founded by Jules Guesde a modern Socialist Labour Party in France. It was, however, broken up by a split in 1880, and, though Marx himself drew up the programme for the remnant of the Guesdists, they again suffered a secession in 1881. The strict adherents of Marxism led by Guesde and Lafargue separated from the possibilist or opportunist group headed by Paul Brousse. Each of these sections split again, and by 1891 four distinct socialist parties existed, if not more. A union was made in 1905, and the Socialist Party was strong in the Chamber of Deputies. But the French socialists are not orthodox. There are continual breaks-away. Men like Viviani, Briand, and Millebrand serve in capitalistic Ministries. Moreover, many socialistic reforms have been carried out by municipal socialists in the local governing bodies of the provinces and municipalities after the Fabian fashion. Such socialism, if it has to be classified, must be called reformist or revisionist Marxism, although the followers



of Guesde always regarded themselves as pure Marxists.

But more important than these parties in its effects was the rise of syndicalism at the beginning of the century. We cannot here examine this philosophy adequately. Briefly it stands for concentration on industrial as opposed to political action, and envisages the new age as being organised and controlled, not by the old State in the form of State Socialism, but rather by the producers themselves, organised on industrial lines. Syndicalism is the paradise of the producer. The syndicalists set out to realise their New Jerusalem by a policy of action—direct action they call it, because it is not manifested through politics as is so much of the socialism of the day. They say that socialism has become tame, fat, and scant of breath; that the inevitable result of its consorting with capitalism and the bourgeois elements in Parliaments has been made to make it lose touch with the proletariat. They maintain that State Socialism, such as is envisaged by many of the European Marxian parties, will be merely the rule of the bureaucracy and will mean the continued exploitation of the workers. Once make Socialism Parliamentary and, they say, you get Reformism, Revisionism, and what not, with Millerand and Briand in the capitalistic Cabinet. Yet, they admit that the reformists are honest, which is more than they allow for the more orthodox Marxian parties. These latter, they say, have betrayed the workers, but they are still dishonestly paying lip service to the revolutionary idea, although

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they have completely abandoned it in practice. To correct this, the syndicalists appeal to the proletarian "will to revolution." Everything that weakens this will is to be avoided; all that strengthens it is to be encouraged. And so, down with craft unions, arbitration and conciliation, insurance funds, and all compromises with capitalism! And up with the general strike, sabotage, and industrial unionism! As Sorel, the syndicalist propagandist, has said in a graphic phrase, these amenities and conciliations, are merely capitalism's efforts "to counteract socialism by social peace."

The interest of all this is that the syndicalists claim Marx as their origin and inspiration. Syndicalism is the true child of Marxism, which has been hitherto hidden owing to the political vagaries of the Continental socialist parties. Marx was, to them, no opportunist revisionist, nor was he a closet philosopher discanting on the coming glories of a new era without attempting to realise it. As we have seen, there are elements in the Marxian system which lend themselves to this interpretation—the clear distinction between proletariat and bourgeoisie, the clarion calls to united action, the insistence that the political paraphernalia of any age is only a reflex of its economic foundations, and the corollary that one cannot change the character of an age by tinkering with such superstructures.

The orthodox Marxian parties reply that syndicalism is only a variant of anarchism and that the old fight which Marx waged with these sentimental Latin apostles of violence has to be waged all over again. On the whole, syndicalism would seem to be the product

of anarchism and Marxian socialism. It has elements from each in its composition. \*

The influence of syndicalism has been great in France and Italy, but not so great outside those countries. In England it had a brief vogue, but it has mostly influenced proletarian thought in the direction of industrial unionism, and encouraged the tendency to distrust political action. This is also true of the U.S.A., where the I.W.W. represents a syndicalist reaction against the reformism of the Socialist Party and the passive revolutionism of the Socialist Labour Party.

*Germany.*—In Germany theoretic Marxism is at home. Since the union of the north and south divisions of the socialists in 1875, it has steadily progressed in politics from a party of mere protest until by 1914 it had become the strongest numerical parliamentary party (measured by votes cast) and the second party (measured by representation) in the Reichstag. The German Social Democratic Party has been consistently Marxian in theory. Its programme—to which the German socialists attach immense importance—has been more uncompromisingly Marxian than that of any other Socialist Party. All the doctrines are there—revolutionary clash, class war, dictatorship of the proletariat, surplus value, and the like. Yet the German socialists have been the least revolutionary of all Marxian parties in practice. They have continued to sit in the Reichstag and have associated themselves with various programmes of social reforms which partook suspiciously

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\* See Miliukov's *Bolshevism*, Chap. I. for an analysis of syndicalism and its connection with the anarchist doctrine.

of the nature of the palliatives which their programme deprecated. This may be due to German national peculiarities. The German seems to be a doctrinaire. To him a programme, a theoretic basis, is an important thing. It must be logical and consistent, and must be part of a system. And when once he has accepted the system he does not swerve from it in thought and expression. But this particular programme is a revolutionary one, and the Germans are no great hands at revolutions. They tried one in 1848, and it has only resulted in making the Liberal elements in Germany mortally afraid of the Red Terror.\* For the rest, their habit of political submission has effectually prevented anything like the French Commune of 1871. Compare this record with that of France, which experienced revolutions in 1789, 1830, 1848, 1871, all of which resulted in a change of Government. Thus, on the whole, the German Social Democratic Party was, up to 1899, within what we have called the Quiescent Revolutionary Class. It maintained its pose of splendid isolation in Parliament, contenting itself with criticism, and not supporting any of the reform legislation of the Government. In that year, as we have seen, Bernstein challenged orthodox Marxism and set up Revisionism. Kautsky immediately attacked him, and a hot controversy ensued. But this did not break up the party. It furnished ample matter for debates and congresses

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\* Speaking of this revolution, Sombart says, in his *Socialism and the Social Movement*: "One need but look at the caricatures and the comic papers of the time to see that the helmets of the heroes were only nightcaps."

and programmes and platforms; ' and though Bernstein had many followers, the majority of the Social Democratic Party officially decided against his revisionism. And the Bernstein wing of the party came to be known as the Minority Socialists, while the orthodoxists got the title of the Majority Socialists. It is significant that this debate did not cleave the party. It reminds one of the gibe of Jaures (the French Socialist) at an International Congress, to the Germans: "You hide your impotence behind the verbiage of mere theoretic formulas which your distinguished comrade Kautsky will supply you with to the end of your days." But as a matter of fact the rank and file of the party do not seem to have been interested in the revisionist controversy at all. S. P. Orth summed up the situation in 1913 as follows:—"To-day one hears very little of Marx and a great deal of legislation. A large mass of voters cast their ballots for Social Democratic candidates as a protest against existing governmental conditions, not as an affirmation of their assent to the Marxian dogmas. The truth is, Marx is a tradition, democracy is an issue." \*

Here then in Germany are the parties of Quiescent Revolt (the Majority Socialists) and of Reform (the Minority Socialists). Since the War we have had an emergence of an active revolutionary Marxian group—the Spartacists—led by Karl Liebknecht and Rosa Luxembourg. They were more nearly related to the

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\* *Socialism and Democracy in Europe*, by S. P. Orth, p. 194. (Williams and Norgate).

Bolsheviks than to any other existing party, and they would undoubtedly have to be classed among the active revolutionary class with French syndicalists and the American I.W.W.

*England.*—English socialists are not distinguished by their love of theory. In 1883 the Social Democratic Federation was founded by H. M. Hyndman, E. Belfort Bax, and William Morris. It was a distinctively Marxian body, and though it has had various secessions it has remained the English standard bearer of "pure" Marxism. It is apt to be of the quiescent type, although this is not so much the case with the present British Socialist Party (as the old Social Democratic Federation is now called) as it is with one of its seceding bodies, the Socialist Party of Great Britain, which split off from it in 1904, and which holds an authoritative and exclusive interpretation of Marx, and lays emphasis exclusively on political action, though it will join or help no other political party, Labour or otherwise. The British Socialist Party has suffered another split. It decided in 1916 to oppose the War, and its founder, Hyndman, together with several prominent members, seceded to form the National Socialist Party, which is Marxian, although it supported the Allies' cause in the War. In 1884 was founded the well-known Fabian Society, which is the frankest of all reform parties—being entirely eclectic in its doctrine—applying its weight where it thinks it will best be felt. It is Marxian in that it is socialistic, but hardly in much else. It also drew upon Henry George in its



early days. It is, in fact, an entirely opportunist political party, whose members have done valuable intellectual and research work. It is associated with the names of Sidney and Beatrice Webb, G. B. Shaw, H. G. Wells (since left), Sydney Olivier, and E. R. Pease.

The Independent Labour Party, founded in 1893, was intended to be Labour rather than Socialist, but it soon developed into a socialist body, and has done great educational work among the Trade Union leaders. It is entirely reformist in aim and completely aloof from Marxian dogmatism, though it is definitely socialistic.

The Socialist Labour Party, with headquarters at Glasgow is, however, an uncompromising, left-wing Marxian body, with about 30 branches in different parts of the country. It advocates industrial unionism incessantly, disseminates revolutionary political propaganda, and refuses to affiliate with the British Labour Party. It took up a defiant and directly hostile attitude to the War, and several of its members are in prison. Of all the English Socialist parties it alone can be said to be an active revolutionary party. \*

Thus in England we get as a classification, upon our previous basis: (a) the Independent Labour Party and the Fabians as reformist parties (although it must be remembered that the Fabians cannot be called Marxian nor proletarian); (b) as quiescent revolutionary Marxians we have the British Socialist Party and the Socialist Party of Great Britain; and (c) the active

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\* For brief accounts of these parties in Great Britain see *The Labour Year Book*, of 1919.

revolutionary Marxians represented by the Socialist Labour Party of Glasgow.

We cannot trace in this volume, even briefly, the progress of the proletarian movement in Italy, Spain, Belgium, Holland, Scandinavia, Austria-Hungary, Switzerland, and the Balkans. But everywhere the movement has come under the influence of Marx, and wherever it has developed sufficiently it reveals the same tendency to split into groups of revisionists and revolutionaries, and among the latter there are varying degrees of passivity and activity. \* It is, however, imperative to give some attention to the proletarian movement in Russia, in view of the importance of the practical and theoretical policies of the Bolshevik Soviet Government, and of their bearing on our subject.

*Russia* has been in revolution for the greater part of a century. But it has not been a proletarian revolution, for the simple reason that up till comparatively recently there has been no proletariat in Russia. It is a vast, populous land, and nearly seventy per cent. of its people are agricultural peasants. The century-long revolution that has flourished has not been of their making. In so far as revolutions can be made consciously, it has been the work of the enlightened middle class, especially of the students and the intelli-

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\* Accounts of the Socialist Movement in these countries can be gathered from Kirkup: *History of Socialism* (Fifth Edition—Revised). S. P. Orth: *Socialism and Democracy in Europe* (Williams & Norgate, 1913). Robert Hunter: *Socialism at Work* (Macmillans, 1912).

gentsia, who have been seeking political freedom from a most oppressive and tyrannous autocracy. From about 1855 to 1870 the revolutionary movement was nihilistic; it was conducted on the lines of a propaganda of destructive criticism of all political and religious institutions and current ideas. As Turgenev said: "The nihilists bowed before no authority, and accepted on faith no principle." Nihilism did not accomplish much except in so far that it may have been a good corrective for a country of immemorial and venerated but much abused ecclesiastical and political privileges. The next stage, from 1870 on, consisted of peaceful propaganda among the people, but the peasants were not advanced enough to receive western ideas, and, in face of the merciless repression of the propagandists by the Government, the revolutionaries decided on the adoption of the propaganda of the deed—i.e., assassination. Then followed the events from 1878 to 1881, ending with the murder of Alexander II. at Petrograd. But neither Alexander III. nor Nicholas II. showed any signs of granting the political rights for which the revolutionists agitated, and the movement still persisted, though driven underground. In the meantime Russia began to start forward along the path of industrial development. Warsaw underwent a great industrial evolution, and Moscow and Petrograd began to have something like a western proletarian stratum in their populations. So far the ideas of Marx had not influenced Russia very much. This is not wonderful. For the people who

were willing to be revolutionary were more attracted by the anarchist communism of Bakunin and Kropotkin than by the socialism of Marx, and the conditions of the class struggle between bourgeoisie and proletariat, which gave Marxism its driving force of appeal, were not present. Not that Marxism did not invade Russia. Russian economists were commenting on Marx in 1857. And Vol. I. of *Capital*, published in 1867 in German, was translated into Russian and 3000 copies sold before it was published in any other language.\* But it was not the proletarian fighters who welcomed this masterly analysis of the development of capitalism. The march of events in industrial Russia had not yet called them to the front. There, where capitalism was in its infancy, "the bourgeois classes sang the praises of the book which announced the historic mission of capitalism, and thus it was that the idol of the western petroleurs became in the far east of Europe the fetich of bankers and manufacturers."† For, however radical Russia was, she was agricultural, and, if Socialism was to come, *a la Communist Manifesto*, it would require a proletarian stage. But some of the early Russian socialists would not wait for this. To them Russia with its communally owned land was unique. It had not experienced capitalism. It was not going to do so. It would pass at one bound from village

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\* See Simonoff: *What is Russia?* p. 125. Also Masaryk: *The Spirit of Russia* (Allen and Unwin, 1920). Vol. II., p. 289.

† Loria: *Karl Marx*, p. 67.

communism to full socialism, provided the peasants could be taught and leaders availed to lead them. These were the doctrines of the peoplists or Narodnik socialists. They did not accept the class struggle, the theory of concentration, or the Marxian economic conception of social progress. It was not the proletariat's mission to free society. That was the task of wise leaders who should mould the passive masses into their heritage. But after the eighties Russian industry began to develop rapidly; the proletarian appeared, belief in heroic leaders waned, and orthodox Marxism gained ground. One of its leaders coined the epigram "The moujik must be cooked in the factory boiler before he will be ready to enter the socialist state as a full-fledged member."\*

By this he meant that Russia must pass through the capitalist stage before she could become socialist. By the end of the century the Marxians had won on paper and in the press and among the intelligentsia. But not among the peasantry. In 1901 the old Narodniks reappeared as the Social Revolutionary Party, which was not Marxian at all, and they showed in their handling of the peasants in 1903 that they were assured of the agricultural support in Russia, support that was quite alien to the Marxian elements. Meantime the Marxians had organized themselves in 1898 and formed the Social Democratic Party, rather on the German model and decidedly revolutionary in tendency, but laying great stress on the

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\* Quoted by Ross: *Russia in Upheaval*, p. 198.

need for education. At a conference in 1903 this party divided into Bolsheviks, who aspired to create a proletarian State without the help of the bourgeoisie and Mensheviks, who were not averse to taking help from the bourgeoisie and to granting them recognition in the new order.

Then came Russia's disastrous war with Japan, followed by the 1905 Revolution, which was wrecked by liberal-socialist quarrels and smothered by the autocracy, to whom Professor Ross asserts the foreign bankers loaned 60 millions of roubles on the eve of the Duma, which made reaction triumphant.\* The revolutionaries were exiled and executed; the Duma was left impotent, and repression was rampant. It is interesting to notice that in 1908 in Russia 70,000 people were banished, 782 were executed, and the number of those in exile was 180,000. While in the five years 1906-10, 5,735 death sentences were passed for political offences, and 3,741 of them were carried into execution.† Meanwhile some of the 1905 revolutionists, having escaped, were gathering new ideas abroad and developing old ones. When the Czar fell in March, 1917, the Cadets (Liberals) came into favour. They temporized, fell, and were succeeded by Kerensky's Government. It temporised and fell, and in November, 1917, came the Bolsheviks as a Government. But they only succeeded through

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\* See Ross: *Russia in Upheaval*, p. 200.

† See Kirkup: *History of Socialism* (5th Edition, Ed. by E. R. Pease), pp. 259 and 263.

alliance with the left wing of the Socialist Revolutionary Party (Kerensky was of the right wing of this party), and they had to abnegate their own programme of land nationalization, to accord with the local commune ideas of their allies, who wanted ownership of the land placed in the hands of the peasants' communes. Since November, 1917, the Bolsheviks have retained control of Russia. They concluded with Germany the Treaty of Brest Litovsk, which took Russia definitely out of the war against the Central Powers. Thereupon they turned to put down the various kinds of counter-revolutions which were arising in Russia, some of them with the help and connivance of the Entente Powers. They have steadily consolidated their power in spite of continuous revolt at home and universal detraction abroad, and they are at the present moment endeavouring to reduce the economic disorganization of Russia which they inherited from the Czarist regime. How far they will succeed is a vexed question of prophecy into which we cannot enter here. This is not a book on Bolshevism. We therefore pass by the burning questions of their alleged terrorism, their atheism, their political and social immorality, and the like. Discussion of these questions can be found in many recent books. But the vital concern of this chapter is with the Bolsheviks as exponents of Marxism. Lenin is universally recognised as the high priest of active revolutionary Marxism. Moscow is the heart of the Third International. And we

must turn to note what has been the influence of Bolshevism on Marxism and its acceptance by the proletariat.

Earlier in this chapter we remarked that the most recent developments of Marxism have centred round his sociology rather than his economics. This has happened because the position of the Bolsheviks as de facto rulers of a large European state has made them face political situations and define their position in terms of political science. For the moment the economics of Marx are in abeyance. It is the various deductions from his political philosophy that are absorbing the interest of the proletarian world. The Bolsheviks are, as we have seen, the majority left wing of the Russian Social Democratic Party. They are uncompromisingly Marxian in their allegiance. "In the most comprehensive sense of the term the Bolshevik movement is the joint outcome of new economic conditions co-operating with Marxist criticism and with Marxist conceptions of social reconstruction." \* The Bolsheviks now officially style themselves "The Communist Party (of the Bolsheviks)." They have dropped the title "socialist" because they prefer to reserve that name for the parliamentary or moderate parties who do not endorse their programme. This change of name is very confusing to the outsider, and it may be worth while

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\* Eden & Cedar Paul: *Creative Revolution*—a study in Communist Ergatocracy (Allen & Unwin, 1920), p. 66.



to try and make clear what is its exact significance before proceeding to discuss Bolshevik theory.

A communist was originally one who advocated community of goods and the abolition of private property. Plato and Sir Thomas More were communists in this sense and have always been so regarded. The word "socialist" appears to have been first used in 1827 and it quickly came into fashion through being employed to describe the early 19th century Utopians (see Chap. I.).\* Marx and Engels, to distinguish between the doctrines of these Utopians and their own inevitable socialism, adopted and urged the use of the word "communist" in 1848. "When the *Communist Manifesto* was written," says Engels, "we could not have called it a 'Socialist' Manifesto."† And the idea which seems to underlie this remark is that socialism was not only Utopian at that time, but it was also bourgeois and had no solid working class backing of thought and sympathy. But gradually the title socialist came back into favour with Marx and Engels, and during the period 1864-1872 it was used to describe their position in contrast to that of the anarchism of Bakunin. Anarchism is really a political theory and not an economic one. Its main tenet is the denial of the coercive power of the State. It looks forward either to the abolition of the State or to a State bound together on

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\*See M. Beer: *A History of British Socialism* (G. Bell & Sons), Vol. I., p. 187. "It is found for the first time in *The Co-Operative Magazine* of November, 1827."

† Engels' *Introduction to Communist Manifesto*, 1888.

a voluntary and not a legal basis. Socialism believes in the legislative and coercive State with sovereignty, while anarchism believes only in the administrative and voluntary State without sovereignty, if such can be called a "State" at all. The political theory of anarchism (which thus differs from that of socialism) gradually came to be joined on to the economic ideals of communism (which do not greatly differ from those of socialism). The resultant philosophy was anarchist communism, which envisaged the abolition of private property and a community of goods, but it contemplated the distribution of the common stock on the principle "to each according to his needs," whereas the socialists were beginning to lay down the principle "to each according to his services." \* Moreover anarchist communists further contemplated the abolition of coercion and rule—and hence of the legislative State. In practice this latter distinction came to mean something like this. The socialists saw their co-operative commonwealth of the future as a centralized State on democratic parliamentary lines. The communists or anarchist communists saw theirs as territorial collectivism among communes or local units on voluntary federalistic lines. Anarchism, as a doctrine commanding working class allegiance, weakened after the fall of the Paris Commune, but its influence is to be seen in the rise of the philosophy of syndicalism with its distrust of the State and its vision of autonomous trades unions.

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\* See Ramsay Macdonald: *Socialism* (Home University Library).

And the influence of syndicalism can be seen both in the violent methods and in the characteristic functional organs of Bolshevism—i.e., the Soviets. If syndicalism can be described as the product of the union of Marxian socialism and anarchism, then Bolshevism might be regarded as the child of an incestuous marriage between syndicalism and its own father (Marxian Socialism) brought up in the characteristic environment of its grandmother's home.

But, as we have seen, ever since the fall of the First International the two currents of reformism and revolutionism have been manifesting themselves in the stream of socialist thought. The reformists have stuck to the idea of the State as their instrument, the revolutionists have increasingly distrusted it and have argued that it puts the realization of the New Jerusalem indefinitely into the future. It is therefore not surprising to find that the Bolsheviks, attaining to political power through a revolution, and adhering to those doctrines of Marxism which promised a new society delivered from the coercive machinery of the State, should have assumed the title of "communist" as indicating firstly their distrust of the coercive State as a permanent form of human social organisation, and secondly their complete break with reformist socialism. Like Marx and Engels in 1848, they do not feel that their movement can be called a socialist movement, because that title is also used by bourgeois middle class reformers who have no real proletarian backing at all. But the adoption

of this title must not be understood to mean any break from the principles of Marxian Socialism (as they read them). This is made clear by the reply of the Executive Committee of the Moscow International to the Independent Socialist Party of Germany, which had directly asked in what respect communism differed from other forms of socialism.

"There are no other forms of Socialism, there is only Communism. Whatever else goes under the name of socialism is either wilful deception by the lackeys of the bourgeoisie, or the self-delusion of persons or groups, who hesitate to choose between the proletariat and the bourgeoisie." \*

The central doctrine of the Bolshevik communist programme is undoubtedly that of the dictatorship of the proletariat. This phrase is adopted from Marx's *Criticism of the Gotha Programme*, written in 1875, wherein, explaining the course of social evolution, he says: "Between capitalist and communist society there lies a period of revolutionary transformation from the former to the latter. A state of political transformation corresponds to this period, and the State, during this period, can be no other than the revolutionary dictatorship of the proletariat."†

To understand just what the Bolsheviks mean by this phrase it is necessary to glance at their political

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\* Quoted from *Current History*, October, 1920, by *The Australian Communist*, 24/12/1920.

† Marx also used the phrase: "Dictatorship of the proletariat," in his *Class Struggles in France*, 1848-1850.

theory. In his book, "The State and Revolution," Lenin sets out his theory of the State as derived from Marx and Engels.\* The modern State, like all States, is merely an instrument of class rule. To-day the State is organised to allow the rule of the capitalist bourgeoisie, which has supplanted feudalism. The machinery of this bourgeois rule is held to be political democracy, which is merely "the camouflaged oligarchy of the bourgeoisie."† Such democracy does not prevent, nay, rather, it enables, exploitation. No proletarian party can change its condition in such a State by anything short of revolution in the face of existing capitalist control of all the institutions of society.

"If we look more closely into the mechanism of capitalist democracy everywhere—in the so-called petty details of the suffrage, in the technique of the representative institutions, in the actual obstacles to the right of meeting, in the purely capitalist organization of the daily press, etc., etc.—on all sides we shall see restrictions upon restrictions of democracy. These restrictions . . . seem slight, but in their sum they exclude and thrust out the poor from politics and from an active share in

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\* The works on which Lenin mainly relies are the political rather than the economic writings, e.g., Engels' *Origin of the Family, Private Property, and the State*; *Landmarks of Scientific Socialism*, and various prefaces written to later editions of Marx's books; Marx's *Communist Manifesto*; *Eighteenth Brumaire of Louis Napoleon*; *Civil War in France*; and *Criticism of the Gotha Programme*.

† E. & C. Paul: *Creative Revolution*, p. 131.

democracy. Marx splendidly grasped the *essence* of capitalist democracy when he said that the oppressed are allowed once every few years to decide which particular representatives of the oppressing class are to represent and repress them in Parliament!" \*

The very frequent criticism of democracy and Parliament as ineffective instruments for expressing the will of the people gives point to all this. And when the communist is told that the real remedy is to educate the democracy he replies that all the organs of education and propaganda are under the control of the capitalist.

If, therefore, it is hopeless to look to the gaining of political power through Parliament in order to reform the State, does the communist suggest revolution? He does. But it is not to be a revolution made, so to speak, on the spot by plotters with bombs.

"Lenin told me that he hopes to see a Labour Government in England, and would wish his supporters to work for it, but solely in order that the futility of Parliamentarism may be conclusively demonstrated to the British working man. Nothing will do any real good except the arming of the proletariat and the disarming of the bourgeoisie. Those who preach anything else are social traitors or deluded fools." †

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\* Lenin: *The State and Revolution* (Allen and Unwin), p. 90.

† Bertrand Russell's Article, *Soviet Russia*, in *The Nation*, New York, Vol. CXI., No. 2874, 31/7/1920.

The revolution is therefore to come in the nature of things through the evolution of capitalist society. It is creating the conditions for revolution. Its chaotic economy fails to meet the world's needs. It produces but does not distribute. To get rid of its surplus it seeks foreign markets, and develops crises, disturbances, international competitions, and, finally, war. "The Great War marks the nadir of capitalism swiftly following upon its zenith—the glorious era of capitalist imperialism." \* Moreover, the exploited proletariat becomes more and more uneasy, and at last, made desperate, rises against the capitalist State. Here the class conscious leaders of the proletariat step in. They use the strength of half blind, instinctive revolution in order to hold the State for the workers. They seize the reins of administration, ruthlessly turn out the bourgeoisie, withhold rights of all kinds from all but the workers, and steadfastly refuse compromises urged on them by apostles of liberty, democracy, and the like. For such things are merely the disguises of the capitalist State.

Treating the conceptions of liberty and democracy as merely outworn capitalist myths, such a programme is anathema to the liberals and democrats of the day. But the communists justify their position by assuring their followers that the dictatorship of the proletariat, unlike the dictatorship of the bourgeoisie, which it supplants, is not designed to endure. Its business is to abolish class divisions, to

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\* E. & C. Paul: *op. cit.*, p. 85.

effect a socialist reconstruction of society, and then to be abolished by the conditions obtaining in the society it has constructed. Thus the dictatorship of the proletariat is conceived as being the instrument by which the revolution is conserved until it effects the transition from capitalism to communism. Under this dictatorship society will still be organised as a State, for it will be an instrument of class rule—i.e., the rule of the proletariat. But this proletarian State is not to be thought of as being a final form of organisation. It is a temporary expedient in order to prepare the way for the reconstruction that will usher in the communist society. This may, and probably will, be a lengthy business. Capitalism will die hard. It will call in all its friends to oust the usurper. This is the reason, according to Lenin, why the Bolsheviks are so bitterly attacked by the capitalist imperial Powers—France, Britain, and even the U.S.A. But in the end it will so reorganise the life of society that production and distribution will be undertaken on strictly communist lines, classes will disappear, the State will, in Engel's phrase, "wither away" and the goal of the communist will be attained.

Only the vaguest sketches have been supplied of what society under communism will be like. Lenin has quoted with approval the picture given by Marx in 1875 in his "Criticism of the Gotha Programme." \* Communism will evolve through two stages. In its first or lower stage, the means of production

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\* Lenin: *The State and Revolution*, Chapter V.



will no longer be private property, and every worker will have a claim on the products he helps to create corresponding to the amount of work he has done. Consequently harder or better workers will be better off than lazy or inefficient workers. But this is not the final goal. Men are not equal in respect of the work they are able to do. And only "bourgeois justice" will give to unequal individuals an equal quantity of products in return for what are really unequal quantities of work. Yet, while this principle holds, some remnant of the authoritative State will still be necessary to ensure this equal distribution (which is really morally unequal). But in the developed or higher stage of communism the unequal working quality of individuals will be recognised and penalties will not be allowed for natural defects in skill and energy. The principle then adopted will be not "an equal reward for an equal quantity of labour," but "from each according to his ability; to each according to his needs." When this stage arrives men will work, not for reward, but for self-expression. But until they are willing to do this Communism will not really have evolved. And until then authoritative control of the amount of labour and of the amount of reward will be necessary. In short, the necessity for the coercive State will not have passed away. And the proletariat will remain as the coercive agency within the State.

On a theoretic basis, this brief analysis throws some light on the question of the difference between

communism and socialism which we have just been discussing. Lenin asserts that the difference is really a difference between two successive stages of development.

"The scientific difference between socialism and communism is clear. That which is generally called socialism is termed by Marx the first or lower phase of communist society. In so far as the means of production become public property, the word communism is also applicable here, providing that we do not forget that it is not full communism. The great importance of Marx's explanation is this: that here, too, he consistently applies materialist dialectics, the theory of evolution, looking upon communism as something which evolves out of capitalism." \*

Although Lenin may emphasise this as the "scientific difference between socialism and communism," it should not be forgotten that at the present time the actual difference between the parties calling themselves communist and socialist is, very largely, the difference between parliamentary reformist socialism and proletarian revolutionary socialism. We cannot but remark here that, however much practical men of the world may scoff at the economics involved in the acceptance of the ultimate communist principle—"from each according to his ability; to each according to his needs," yet that principle has the sanction of

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\* Lenin: *The State and Revolution*, p. 101.

the most advanced social morality. All those who profess to admire the injunction "Bear ye one another's burdens" can find no fault with the morality of this principle, which Marx (and Lenin) claim as the fundamental social law of the new society to which they look forward. Here, once again, Marx is better than his creed. He is optimistic enough to believe that all men and women will one day willingly practise this principle, though, individually, it can hardly be shown that it would be to their economic advantage so to do.

We have already, in the second chapter, criticised the Marxian doctrine that the present is the last of the great class struggles, and that thereafter we shall have peace and a classless commonwealth. But another question here arises in connection with the Marx-Leninite view of the origin of the State as an instrument of class domination. Is this historically true? Marx made out his case for this as early as 1848, when he said that all history was really only the record of class struggles. As we have seen, it is tempting, but not always fruitful, to picture all past movements as class struggles. It is difficult to watch, for example, the development of English law under the central power of the State during the Middle Ages and to find in it only the instrument of exploitation in the hands of a dominant class. And this is also the case in modern times. Are we to believe that the Factory Acts of the 19th century are instances of class domination? It is idle to

pretend that the employers wanted them passed as a sop to the workers, for the capitalist interest fought bitterly against them, not discovering till much later that factory legislation paid as a business proposition. And it is just as idle to assert that the workers won these rights for themselves. They were won for them by men like Shaftesbury, Oastler, Bull, and Stephens, who were not working-class leaders at all. And yet Marx himself acknowledged the passage of this legislation as a labour victory. Here then is an instance of the deliberate interference of the State, not in the interests of the dominant political class at all. If another is required, it might be found in the development of education in England in the 19th century. It is flattering to the 19th century capitalists to picture this as a shrewd move to increase the efficiency of labour, but it would be difficult even for them to admit this soft impeachment.

And, theoretically, the doctrine that the State is to wither away, when the capitalist domination is finally crushed through the proletarian dictatorship and its administration, has its difficulties. If each successive class struggle, as it progressed hitherto, only changed the distribution of power inside the State, and did not abolish the State itself, is there any reason to believe that the class struggle between proletariat and bourgeoisie will do more than this? Will not the State as such continue to exist, by whatever name it may be called? Men may be as communistic as they like, but there will still exist the need of some co-ordinating

authority in a communist State. "From each according to his powers and to each according to his needs" may be the ideal, but who is to assess the powers of some in virtue of which they must labour, and the needs of others in virtue of which they may consume? If the answer be made that men, under a communistic system, will shed their frailties, and that therein the fit will work willingly in order that the needy may consume, is this anything more than prophesying a general reformation of humanity? In fact, the Marxian is presented with a dilemma in this prophecy about the disappearance of the State and of all social antagonism. Either the first sentence of the *Manifesto* contains a sound reflection about human nature, in which case the disappearance of social classes based on economic interests is a baseless dream, or else human nature itself is going to undergo a change of heart, and consciously put away its baser instincts of acquisition in the new social order which is to be established after the proletarian revolution. In the latter event will not the Marxians be depending for the consummation of their hopes upon those very appeals to man's better self, and to his instincts of justice and fairness, for making which Marx and Engels so soundly trounced the Utopian socialists of the early 19th century?

Enough has now been said to show that the theory of the Bolshevik programme is undoubtedly Marxian, and it can be obtained in essence from the political writings of Marx and Engels. Marx, however, did

not give any elaborate details of the organisation that would be required to make the proletarian State function. It is, therefore, idle to expect from him any prophecy of the Soviets, which are the typical Bolshevik instrument of government. Marx, even in his latest work on the French Commune, comes no closer to Sovietism than to insist that the organs of government must be composed of the workers. We need not, therefore, go into the question of the structure of the Soviets beyond saying that they are based not upon territorial groups, but upon working groups. In this respect Bolshevism reflects the current political theory which demands representation by function rather than by geographical location.\* Nor need we discuss how far the Soviets are really functional groups and how far they are really organisations of Bolshevik adherents. For these are questions of fact and not of Marxian theory.

But the communists have not escaped challenge with regard to their Marxism. The veteran German Marxian—Kautsky—has come into the field, opposing the communist dictatorship on the grounds that it is not Marxian at all. In a recent volume he entreats the Bolsheviks to come back to Marxism and social

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\* Compare for example the theories of Syndicalism and of Guild Socialism. Cf. also the proposals of Graham Wallas in the *Great Society*, and even the change in the Fabian attitude as evidenced by the Webbs' last work: *A Constitution for the Socialist Commonwealth of Great Britain* (Longmans).

democracy.\* It is not a very convincing book.† Kautsky is concerned to prove that the Bolsheviks are departing from the true faith, and, as is usual in polemics, he quotes freely from the works of the master to prove his own orthodoxy. But the style of the book is pedestrian, the argument confused, and much of the matter is irrelevant. What Kautsky, as a Marxian, has to face is Marx's explicit declaration in 1875 in *The Gotha Programme* that the transition from capitalism to communism can only be accomplished by "a revolutionary dictatorship of the proletariat." Upon this doctrinal rock Lenin has built his church. Kautsky begins by pointing out that in *Civil War in France*, written in 1871, Marx approves the Paris Commune as being "the political form under which the freedom of labour could be attained." Moreover, Engels expressly declared the Commune to be "the dictatorship of the proletariat."‡ Yet Marx points out that the Commune was based on universal suffrage. Hence what Marx meant by the dictatorship of the proletariat "necessarily arose in a real democracy, because of the overwhelming

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\* *The Dictatorship of the Proletariate*, by Karl Kautsky. English Translation. (National Labour Press, London, 1920).

† There is a good, though hardly impartial criticism of Kautsky in R. W. Postgate's *Bolshevik Theory* (Grant Richards 1920).

‡ Engels' preface to the 3rd edition of *Civil War in France*.

numbers of the proletariat.”\* It follows, therefore, that the proletarian dictatorship was nothing else for Marx than the accession of the workers’ party to power through the extension of the franchise.

With all due deference to Kautsky, this is mere foolery. It may be a perfectly good defence of democracy and reformism as against dictatorship and revolution, but it is not Marxism. No one who reads Marx’s writings about the Paris Commune can assert that Marx was upholding the idea that a workers’ Government which had seized political power after a revolution should at once submit itself to universal suffrage, including the suffrages of those whom it had just dispossessed. And, historically, Kautsky is guilty of at least an economy of truth. For, as Lenin points out in reply to this argument:

“It is known that the flower of the bourgeoisie had run away from Paris to Versailles . . . Is it not ridiculous to represent as ‘pure democracy’ with ‘universal’ suffrage the division of the inhabitants of Paris into two belligerent camps, one of which had concentrated the entire militant and politically active section of the bourgeoisie.”†

But apart from this textual criticism of the Bolsheviks based on Marx, the gravamen of Kautsky’s charge remains. If the Bolshevik Government stands for the dictatorship of the proletariat, then it should

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\* Kautsky: *op. cit.*, Eng. trans., p. 45.

† *The Proletarian Revolution and Kautsky the Renegade*, by N. Lenin. Eng. trans. (The Communist Party, London, 1920), p. 19.



at least submit itself to the suffrages of the proletariat. It has not done this. It has suppressed other Russian proletarian parties—the Mensheviks, the Social Revolutionaries, etc. It is not the dictatorship of the proletariat, it is merely the dictatorship of a party of the proletariat, and it does not dare to submit its policy and principles to the proletariat as a whole. And Kautsky is not alone in his indictment. Bertrand Russell, after a visit to Russia in 1920, remarks:—

“We were told that, by the recall, the occupational constituencies, and so on, a new and far more perfect machinery had been devised for ascertaining and registering the popular will. One of the things we hoped to study was the question whether the Soviet system is really superior to parliamentarism in this respect. We were not able to make any such study because the Soviet system is moribund. No conceivable system of free election would give majorities to the communists in either town or country. Various methods are therefore adopted for giving the victory to Government candidates. In the first place, the voting is by show of hands, so that all who vote against the Government are marked men. In the second place, no candidate who is not a communist can have any printing done, the printing works being all in the hands of the State. In the third place, he cannot address any meetings, because the halls all belong to the State. The whole of the press is, of course, official;

no independent daily is permitted. In spite of all these obstacles, the Mensheviks have succeeded in winning about 40 seats out of 1,500 in the Moscow Soviet by being known in certain large factories where the electoral campaign could be conducted by word of mouth."

"All real power is in the hands of the Communist Party, who number about 600,000 in a population of about 120,000,000." \*

To this Lenin replies that the Soviet republic is the dictatorship of the proletariat, that other parties, calling themselves proletarian, are not proletarian at all, but "petty bourgeois," adulterating Marxism with Liberalism. As for the arbitrary and undemocratic refusal to summon the Constituent Assembly in November, 1917, Lenin defends it on the ground that an Assembly elected on the existing rolls would have represented the interests of the bourgeoisie as against those of the exploited proletariat. "The interests of the Revolution stand above the formal rights of the Constituent Assembly." †

All this criticism reveals the fundamental cleavage that the War and the Russian Revolution have caused in the ranks of the proletariat. It has, as we have seen, invaded even the Marxian camp. On the one

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\* Bertrand Russell: *"The Practice and Theory of Bolshevism"* (Allen and Unwin, 1920), pp. 73:76.

† Theses in respect of the Constituent Assembly, by N. Lenin, reprinted from the *Pravda*, of 8th January, 1918. (Published as appendix to Lenin's *Proletarian Revolution*), No. 16, p. 119.

side stand the apostles of the revolution by means of the dictatorship of the class-conscious proletarians. They are convinced that capitalism has ripened to its doom, as Marx said it would. They are unwilling to be deprived of the fruits of bold, energetic, revolutionary action by any consideration of the fact that such action will involve repudiation of current ideas about justice, liberty, and democracy. Such ideas have, to them, a bourgeois connotation which emasculates their appeal. They fix their eyes upon the coming communist society whose excellence for humanity will excuse the violence which its birth necessitated. Indeed, such violence is, in the end, humane. "It can shorten and lessen the birth pangs."\* And, if we may continue this favourite Marxian obstetric metaphor, the modern communist parties are fully resolved upon a Caesarian section in order to expedite delivery. The life of the mother is a secondary consideration in their professional ethics. For she is doomed anyhow. Opposed to this party stand the reforming socialists—the party of parliamentary action and reliance upon democracy. They, too, look forward to an inevitable new birth, but they are more patient accoucheurs. Things will be done decently and in order, with due regard to the susceptibilities of the patient and her relations (especially her relations). Anaesthetics, in the shape of democratic franchises and persistent education will be offered to the sufferer, and only in the case of obstinate refusal to accept these anodynes will resort be had to

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\* Marx *Capital*, Vol. I., Preface to First Edition.

the keen surgery of proletarian dictatorship and violence.\* It is this party which is now beginning to be styled socialist in opposition to the communists who draw their inspiration from Moscow. Both have adherents in all countries, and both have developed centralised international organisations to maintain their points of view.

Marx, it will be remembered, set great store on the international organisation of the proletariat. He devoted his time from 1864 to 1872 largely to the founding and the shepherding of the First International, whose passing in New York in 1876 we have already noted. A second International was formed in 1889. Its central organ was the International Socialist Bureau at Brussels, consisting of three delegates from each national section of socialists comprising the International. Periodical congresses were held to pass general resolutions on socialist policy, but they had no binding force. The Second International was a loose federation of national socialist parties with no strong central organisation. It represented all phases of socialist thought, from Fabianism to Communism. It contained Marxian revolutionaries and Marxian reformers. The War smashed whatever superficial unity this body

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\* See, for an excellent statement of the moderate socialist point of view, the *Memrandum of the Independent Labour Party of Great Britain on Socialism and Government*. Published December, 1919. Reprinted in R. Palme Dutt's *The Two Internationals* (Allen & Unwin, 1920), pp. 57-61.

possessed. The majority of the socialist and labour parties supported their own governments, though sections continued in opposition. These anti-war socialists held a congress at Zimmerwald, in Switzerland, in 1915, and they held together for further conferences at Kienthal (1916) and Stockholm (1917). Lenin, who attended at Zimmerwald, urged the formation of a new International, since the old one was untrustworthy and chauvinist. This view was finally accepted at Stockholm in 1917, and the advent of the Bolsheviks to power, in November, 1917, confirmed the tendency. After the War ended, invitations were sent out for a communist conference at Moscow. This was held in March, 1919, and the Third International was constituted with an elaborate "second Communist Manifesto" and a programme of action. Meantime, most of the bodies affiliated with the old Second International, excepting the rigid anti-war section, were gathered together in an after-war conference at Berne, in February, 1919. It comprised all kinds of socialist and labour bodies, and, roughly speaking, it did unite all the great national socialist sections except the left wing official Italians and the Russian Bolsheviks. This conference at once revealed a left and right wing, though it passed resolutions adhering to democracy and condemning dictatorship, "especially dictatorship of only one section of the working class." It also established a permanent commission to re-organise the old (second) International. This

commission met at Amsterdam and later at Lucerne (August, 1919), and the difference between its right and left wings became more apparent. But the vexed question of Bolshevik tactics was remitted until a full congress could be held. This body is generally known as the Second International, although technically perhaps it should not be so called. The differences between it and the Third International are broadly the differences we have noted between the communists and socialists. One is red, the other is respectably pink. And particular parties are declaring their allegiance to one or to the other, according as they incline to moderate or to revolutionary Socialism.

The moderate body contains Marxists—Lensch and Kautsky in Germany, Spargo in America, Hyndman in England, Plekhanov in Russia, and, to an extent, Longuet in France. All these men were considered as Marxists, and they still consider themselves so to be. Their erstwhile comrades, who are now in the communist camp, would vigorously deny their right to this title. Lenin, in a neat phrase, charges Kautsky and his followers with having “replaced dialectics with eclectics,”\* by which he appears to mean that they rely upon careful selection of passages from Marx in order to justify their position, but they neglect the general Marxian dialectic method which involves the admission of the class struggle as the agent of social regeneration. They think of the term

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\* Lenin: *The State and Revolution*, Eng. trans., p. 25.

"proletarian" as describing a status, whereas the communists use it rather to denote an attitude of mind.\* And this is reflected in their different attitudes to education. For the communist, education is to be a frankly propagandist affair, not so much expository as didactic. For the socialist, it is to be a business of the examination of facts, of discussion and controversy, for he is sure that, in the long run, light rather than storm is the socialists' best friend.

This twofold division of Marxists among the proletarian fighters of to-day has supplanted our earlier classification. Of the two kinds of revolutionists which we noticed—the active and the passive—the latter has tended to pass over to the reformist group.† He will, perhaps, still maintain that he is revolutionary, but it is revolution through evolution which he envisages, and practically (in the matter of tactics) there is little difference between him and the reformist socialist of the I.L.P., or even of the Fabian type. This regrouping has been, in the main, the

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\* "When a Russian communist speaks of dictatorship, he means the word literally; but when he speaks of the proletariat, he uses the word in a Pickwickian sense. He means the 'class-conscious' part of the proletariat, i.e., the Communist Party. He includes people by no means proletarian (such as Lenin and Chicherin) who have the right opinions, and he excludes such wage-earners as have not the right opinions, whom he classifies as lackeys of the bourgeoisie." Bertrand Russell, *op. cit.* p. 27-8.

† It is interesting, in this connection, to observe that the Dutch Communist, Pannekoek, described Kautsky's position in 1912 as one of "passive radicalism," and his theory as "a theory of inactive expectancy." *Die Neue Zeit*, 1912, XXX., quoted by Lenin, *op. cit.*, p. 115.

result of the War, which was itself a result of capitalist evolution. There are, of course, gradations between the parties represented by the Second and Third Internationals. Many of the socialist and Marxian parties are dissatisfied with the Second International's position, but are not prepared to be tied down to communist doctrine and to endorse the whole of the communist programme. There has been a movement to call a left wing conference of the Second, and there has even been a talk of a Fourth International. We cannot here even summarise the position of the national parties in each country.\* Moreover, the present grouping is very fluid, and will no doubt change with changing events, as the following excerpt from a London Anarchist-Communist monthly suggests:—

"Do you recall comrade Lenin's recent letters in which he deplored the fact that no Communist Party existed in this country? This was the politician's chance. German Socialism had collapsed, and the world recognition that follows success was to be had only from Moscow. But yesterday they were looking to Kautsky for credentials. To-day he is a fallen idol and Lenin is god. And the holy blessing must be sought from him.

"It was only necessary for the godhead to speak and say, 'Let there be a Communist Party,' for Communist Parties to spring up like toadstools in

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\* This has been done admirably in R. Palme Dutt's little book, *The Two Internationals*. Chaps. V. and VI.



the night in the most unexpected quarters. Strangely enough, each party represented the Third International of Moscow." \*

We have seen how both reformist socialists and revolutionary communists claim to be the true heirs of the Marxian tradition. Marx must not be cited as preferring dictatorship to democracy, says Kautsky. Kautsky is a vulgariser of Marx, says Lenin. Who is to decide which is orthodox? May it not be that both are orthodox? We have seen how the body of the Marxian writings is susceptible of divers interpretations. An estimate of Marx in this connection by a modern anarchist-communist is not without interest.

"Marx was anti-parliamentarian and anti-governmental in 1843. This latter standpoint he occupied for only a very short period. For in 1847 he abandoned Proudhonism, which he had previously praised with enthusiasm. In 1848, in the *Communist Manifesto*, in its practical measures especially, there is nothing anti-governmental to be found. During the German revolution of 1848 we find Marx linked not with Weitling's communist propaganda, but, as editor, with the then 'extreme

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\* *The Spur*, London, August, 1920, art.: "The Glut in Communist Parties," by Rose Witcop. It is interesting to notice that there are already (January, 1921) two separate and apparently hostile communist parties in Sydney, each with its official journal, the one claiming affiliation to the Moscow International, and the other announcing its intention to affiliate.

democratic' organ, the *New Rhenish Gazette*. Embittered by the treasonable weakness of the democratic faction, he wrote in 1852 the *Eighteenth Brumaire*, which, whilst still being very anti-parliamentarian, nevertheless marked the end of Marx's revolutionary record. In 1864 he wrote the famous *Inaugural Address*, which, however, had nothing whatsoever to do with communism, but was a manifesto of labour politics. Herein was advocated the capture of political power, which, after the Chartist Movement and its decline, could be construed only as meaning the ever-increasing acquisition of power within the capitalist State by means of capitalist universal suffrage. Marx, by the way, exhibited the greatest sympathy towards Chartism, whose aims do not here require elaboration. Suffice to say that it was the great impediment to the real communist movement of those days, which was represented, not by Marx, but by Owen.

"During the whole period, 1864-1872, there is not one instance that could justify classifying Marx with the anti-parliamentarians. He was continually furthering elements which stood for suffrage, legality, and parliamentarianism . . . The more we go back in the life of Marx the more we will trace what seems to be an insurrectional policy; the more we advance in it, especially from 1852 onward, the more we find him struggling in the

meshes of 'practical politics,' leaving Communism entirely out of sight and consideration." \*

Marx and Engels were revolutionaries, it is true, but they had, and for long periods, their alternative moods, when the capture of Parliament and the progress of Socialism by legal enactment seemed possible and good. "As from the gospels, so from Marx and Engels, the adherents of conflicting schools can readily select isolated passages which seem to justify their respective views by the *ipse dixit* of a master." †

In truth, this analogy, on the formal side, between Marxism and Christianity is very suggestive. Both have a personal founder, to whom is attributed a body of doctrine, and the record of whose life is calculated to strengthen his appeal. If the Christians have their Bible and their Shorter Catechism, the Marxians have their *Capital* and their *Communist Manifesto*. Luther has his theses, and so has Lenin. The adherents of both systems have developed organizations to spread their teachings, and each has undergone persecution for the truth's sake. It has been complained of both that they have striven to turn the world upside down. The followers of each have disagreed, and have divided themselves into various groups, each one of which claims to be orthodox while fiercely repudiating the others. And the more intensely the doctrines are

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\* *Marxism and Compromise*, by Rudolf Grossman, in *The Spur* (London), July, 1920.

† E. & C. Paul: *Creative Revolution*, p. 23.

held in each case, the greater is the disinclination to discuss or criticise them, the more strong is the tendency to make their acceptance a matter of faith, and the more passionately are professions of such faith demanded. Is it altogether fanciful to see, in the groupings of the Marxians, the same attitudes of mind and spirit which are reflected within Christendom in the High, Low, and Broad Church positions? What men call ecclesiasticism is not confined to religious systems. It is an abiding tendency of the human spirit.

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analysis of Bolshevik theory. The rest of  
the book is a history of Bolshevism since  
1914.

## INDEX.

- Absolute Value: See Value.
- America (U.S.A.): Capitalist concentration in 26-27; Marxism in 131-133.
- American Federation of Labour: 131-132;
- Anarchism: 10; 134; 136-7; and Socialism, 149-151;
- Anarchist Communism: 144; its origin 149; compared to Socialism 150;
- Aristotle: 35;
- Australia: 48-50; 121; Socialism in 127; Communist parties in 173n;
- Bacon, Roger: 47n;
- Bakunin: 10; 144;
- Bax, E. B.: 140;
- Berger, V.: 132;
- Berkeley: 4;
- Bernstein, Ed.: 108n; 114; 126-7; 138;
- Blanc, Louis: 24;
- Bolshevism: Origin of 146; its power 146-7; and Marxism 147-173; and Communism 148-152; and Syndicalism 151; and Sovietism 162; criticized 162-166; 172-173;
- Boudin, L. B.: 77; 99; 103; 132;
- Briand: 134-5;
- Brousse, Paul: 134;
- Burke, Edmund: 20; 24;
- Cabet: 10; 21; 24;
- Capital: Constant 90-93; variable 90-93;
- "Capitol," Marx's: Quotations from, *passim*; different estimates of its worth among Socialists 103-4;
- Capitalism: 26-27; 34; 90-91; 96; 102; 110; 115; 123; 128-129; 135-6; 144; 153-156; 174;
- Christianity: 34; and Marxism compared 175-176;
- Class Struggles: 10; 25; as essential to social evolution 54-64; and religion 58; and psychology 58; and modern theories of reconstruction 60-61; and finance 61-62; existing conflict as the last class war 62-64; 159-161; possible conflict of class war doctrine with materialist conception of history 63-64;
- Communism: and Bolshevism 149-152; distinguished from Socialism 149-152; 158-159; its future stages 156-161; outlook of modern 167; multiplication of communist parties 172;
- Communist Manifesto, The: 9-10; 39; 47; 149; two sided nature of 123-4; the second 169;
- Competition: and Surplus value 96 97; as determinant of price 99;
- Co-operation: 60; 125;
- "Critique of Political Economy": 39; 69; 86; 87n;
- Croce, Benedetto: 111-112;
- Cromwell, Oliver: 33; 35;
- Darwin: 6; 13; 66;
- Dehs, E. V.: 132;
- De Leon, Daniel: 52n; 98; 103-4; 110n; 132;
- Democracy: 18-19; 35-36; 45; 66; and Lenin 153-154; and Marx 162-164; and Second International 169;
- Dialectics: 4-6; 20; 170;
- "Die Neue Zeit" 110n; 112n; 171n;
- Direct Action: 132; 133;
- Economic Interpretation of History: 38-54; 66-67; see also Materialist Conception of History;
- Economics: Compared to Physics 105; not static 106;
- Engels, Frederick: and Marx 9-10; 12; states Materialist Conception of History 41; rebukes extremists 44; 53; 54; explains Protestant Reformation 46-48; challenges anti-Marxians 93-94; refines Marxian theory of value 110-111; 112; quoted by Lenin 153; by Kautsky 163;
- England: Marxism in 140-142;
- Evolution: 6; of the State, Chap II. *passim*; 153-161;
- Exchange Value: See Value;
- Fahians, The: 127; 134; 140-141; 168; 171;

- Factory Acts: 116; 125; 159-160;  
 Fourier: 21; 24;  
 France: Marxism in 134-137; revolutions in 138;  
 French Revolution, The: 7; 18; 20; 21; 35; 138;  
 Geographical Interpretation of History: 36-38;  
 George, Henry: 140;  
 Germany: Marxism in 127; 137-140; Social Democratic Party in 126-127; 137-140;  
 Gravitation: and Marxian theory of Value 102-107;  
 Guesde, Jules: 134-135;  
 Guild Socialism: 60; 162n;  
 Guizot: 9; 23; 24;  
 Hegel: 3-9; 24; the young Hegelians 3; 7; 23; influence on Marx of 3; 6-9; 55; 63;  
 Historical School of Politics: 19-24;  
 History: Progress and 32; defect of former historians 33; 43; various interpretations of 33-38; and Chapter II. *passim*;  
 Hobbes, Thomas: 7; 17;  
 Hyndman, H. M.: 77-8; 92n; 120; 125; 140; 170;  
 Idealism: 4;  
 Independent Labour Party (England): 141; 168n; 171;  
 Independent Socialist Party (Germany): 152;  
 Industrial Revolution: 45;  
 Industrial Unionism: 133; 137; 141;  
 Internationals, The: The first 124; 131; 151; 168; the second 168-172; the third 152; 168-172; the fourth 172;  
 Intrinsic Value: See Value;  
 I.W.W.: 121; 132-133; 137; 140;  
 Jaures: 139;  
 Jevons: 108n;  
 Kautsky, Karl: Attacks revisionism 138; attacks Bolshevism 162-164; as passive revolutionist 170; 171n;  
 Kerensky: 147;  
 Kirkup, Thomas: 142n; 146n;  
 Knights of Labour: 131;  
 Kropotkin: 43n; 144;  
 Labour: Abstract and concrete 73; skilled and unskilled 74; 79-80;  
 Labour Power: 72-76; 79; 88-89;  
 Labour Socially Necessary: 73-77; 79; 81-84; 95;  
 Labour Time: 106;  
 Labriola: 112-113;  
 Lafargue: 134;  
 Lenin: Expounds Bolshevik theory 153-159; and democracy 153-155; his Marxism questioned 162-163; his dictatorship attacked 163-165; urges a third International 169; his professions of Marxism 170;  
 Lensch: 170;  
 Liebknecht, Wilhelm: 2n; 50;  
 Liebknecht, Karl: 139;  
 Locke, John: 7; 17-18;  
 Longuet: 170;  
 Loria, Achille: 12n; 106n; 114; 144n;  
 Luxembourg, Rosa: 139;  
 Macdonald, Ramsay: 150n;  
 Mahommed: 36;  
 Marx, Karl: Birth and early life, 2; 3; influence of Hegel on 3-9; 55; 63; later life 9-13; helped by Engels 12n; death 13; his place among political thinkers 23-24 (also Chap. I. *passim*); opposes utopianism with scientific socialism 24-25; his prophecies 25-28; debt of historians to 43; his doctrine of historic materialism 38-40; qualifies economic determinism 52; his doctrine of class struggles 54-63; his doctrine of value 69-79; criticism of this 80-86; his doctrine of surplus value 87-93; criticism of this 93-114; his use of English historical material 116; passionate nature of his work 117; contrast between earlier and later attitudes to violence 124; 173-174; inclined to compromise 125; 174; his ambiguous conception of revolution 128-129; a tradition in Germany 137-140; translated into Russian 144; as Communist 149; 173-174; his Critique of the Gotha Pro-

- gramme 152; 156; 163; and the Factory Acts 116; 125; 159-160; cited as democratic 163-164; and the Internationals 168; his alternative moods 173; Marxism: revival of 119; its protagonists divided 120-122; 126; 130; 170; 171; short statement of 25-26; 122-123; in U.S.A. 131-133; in France 134-137; and Syndicalism 135-137; in Germany 137-140; in England 140-142; in Europe 142; in Russia 142-173; and Bolshevism 147-173; reformists and revisionists contrasted 167; what is orthodoxy in 173; compared with Christianity 175-176; Masaryk, T. G.: 144n; Materialism: Historic and philosophic contrasted 64-65; Materialist Conception of History: 6; 10; 106; 122; (and Chap. II. *passim*); brief account of 24-25; as basis of scientific socialism 25; statements of by Marx and Engels 38-42; exaggerations of 44; 46-52; its use in prophecy 51; 62; its relation to class war doctrine 54; 64; defect of automatic interpretation of 44; 46; 52; 64; its relation to religion 64-66; final estimate of theory 67; Mensheviks: 146; 165; Millerand: 134; 135; Money: 71; 101; Montesquieu: 20; 24; Morality: Social origin of 45; Morris, William: 140; Napoleon: 7; 33; Narodniks (in Russia): 145; National Socialist Party (England) 140; Nihilism: 143-144; Olivier, Sydney: 141; Orth, S. P.: 139; 142n; Owen, Robert: 21; 24; 174; Pannekoek: 171n; Paris Commune, The: 162; 163; 164; Paul, Eden and Cedar: 148n; 155n; Pease, E. R.: 141; Physics: Compared to Economics 104-105; Plato: 6; Plekanov: 170; Political Interpretation of History: 35-36; Price: Market 75-76; 86; 99-100; selling 95; natural 96; of production 95-100; Profit: Rate of 93; 95; mass of 98; where realised 98-99; Proletariate: Increasing misery of 27-28; dictatorship of 123; 155-167; 169; different meanings of 171; Proudhon: 10; 21; 24; Prussia: 2; 7; Rationalism: Different uses of 13-15; in political thought 16-17; and modern psychology 15n; and Utopian Socialism 21-22; Reformation, The Protestant: 34; 38; 46-48; Reformism: 127; 129-130; 135; 151; 171; 173; Religion: History interpreted by 33-35; its relation to Materialist Conception of History 64; effect of environment on 65; Revisionism: 127; 128; 138-139; Revolution, The French: 7; 18; 21; 23; 35; Revolution, The Russian: 121-122; Revolutionism: Different ideas of, among Marxians 130; two schools of 130-131; 173; in Germany and France compared 138; in Russia 142-148; compared to Reformism 167; 171; Ricardo, David: 83; Roscher: 23; Ross, E. A.: 145n; 146; Rousseau: 7; 18; 19; Russell, Bertrand: 117; 127; 154; 165; 171n; Russia: Revolutions in 142-148; proletariat in 142-143; intelligentsia in 142; nihilism in 142-143; anarchism in 144; Marxism in 142-173; Narodnik Socialists in 145; Social Democratic Party in 145; 148; Bolsheviks in, see Bolshevism; Social Revolutionary Party in 145-147; 170; Mensheviks in 146; 165; Communists in 171; Savigny: 23; 24; Scott, J. W.: 111n;

- Seligman, E. R. A.: 27n; 45n; 53n; 68n;  
 Shaw, G. B.: 116; 141;  
 Simkhovitch, V.: 26n; 110n;  
 Skelton, O.: 23n; 98n; 110n;  
 Smith, Adam: 82-83;  
 Social Contract: 16-19;  
 Social Democratic Federation (England): 140;  
 Social Democratic Party: In Germany 127; 137-140; in Russia 145; 148;  
 Socialism Utopian: 10; 21; 22; 24; 29; 134;  
 Socialism Scientific: Of Marx 25; fatalism of 29;  
 Socialism: Australian 121; 127; Municipal 134; and Communism 149-164; 167-168; and the war 169;  
 Socialists: Majority and Minority 139-140;  
 Socialist Labour Party: Of Glasgow 141-142; in France 134; of U.S.A. 98; 132-133; 137;  
 Socialist Party of U.S.A., 132-133; 138; of Victoria (Australia) 103n; of Great Britain 140-141;  
 Sombart, Werner: 10n; 23n; 26n; 112; 138n;  
 Soviets: 162; 166;  
 Soviets: 162; 163; 166;  
 Spargo, John: 2n; 67n; 103n; 114; 125-126; 132; 170;  
 Spartacists: 139-140;  
 "Spur, The": 172-173;  
 State, The: Marxian theory of 148-168;  
 St. Simon: 10; 21; 24;  
 Surplus Value: See Value;  
 Syndicalism: 60; 135-137; scorns State Socialism 135; claims to be Marxian 136; repudiated by Marxists 136-137; and anarchism 150; its functional basis 162n;  
 Turgeniev: 143;  
 Utopian Socialism: 10; 21; 22; 24; 29; 134;  
 Use Value: See Value;  
 Value: Chap. III: *passim*; labour theory of 69-87; and scarcity 81-86; and competition 97; and marketing 82; 85; 99; pure theory of 102-109; Marxian theory of, not a law 105; 107; recent philosophic estimates of Marxian theory 111-114; Marx's theory and the Marxians 115-118;  
 Value Absolute or Intrinsic: 76n; 86; 102-109;  
 Value Exchange: 70-71; 87;  
 Value Surplus: 69; 87-100; 122;  
 Value Use: 70-71; 85;  
 "Value, Price and Profit": 69; 96n;  
 Vivianl: 134;  
 War, The 1914/18: 121-122; 155; 168-169;  
 Wealth Statistics: 115;  
 Webb, S and B.: 141;  
 Weitling: 21; 24; 173;  
 Wells, H. G.: 141;











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